Daily Report

Latin America

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FBIS-LAT-92-016 *24 January 1992*

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Cuba

Havana Reports FBI To Investigate Infiltration

FL2401020192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Jan 92

[Text] The Mexican news agency NOTIMEX states today that the U.S. Federal Bureau of Investigation has begun a special investigation to look into the complicity of terrorist individuals in Miami in planning the thwarted infiltration of Cardenas on 29 December. The announcement made by Paul Miller, the FBI spokesman in Miami, took place only a few hours after terrorist Tony Cuesta, the head of Comandos L [Liberty], claimed responsibility for the most recent infiltration and acknowledged the existence of anti-Cuban organizations' training camps south of Miami.

Antonio Cuesta de Valle has participated in counterrevolutionary activities since 1960. In that same year, he left for the United States after seeking asylum in an embassy in Havana. In 1961, he took part in several armed raids into Cuba financed by the Central Intelligence Agency. In 1965, he contacted counterrevolutionary Jorge Mas Canosa, who provided him with a boat, weapons, and explosives, with which he carried out an armed infiltration one year later to attempt to assassinate the then Cuban President Osvaldo Dorticos and attack the Riviera Hotel with machine guns.

On that occasion, the Cuban revolution's humanism saved his life after he was seriously wounded when captured during the last operation of that type. Released 18 years before the end of his 30-year prison sentence, he now works at recruiting cannon fodder in Miami and boasts that they have now infiltrated Cuba with the aim of making an attempt on Fidel's life, as he tried to do previously.

At a news conference in Miami yesterday, Tony Cuesta not only boasted about the increase in operations to infiltrate Cuba to try to weaken the revolution, but also acknowledged the facilities the terrorist groups have to carry out their training.

[Begin recording] [Unidentified reporter] One question. How did Comandos L participate in the infiltration of these three Cubans into Havana [as heard]?

[Cuesta] I would say that it was in what I could call the most basic way, which is providing transportation to leave and enter Cuba, which is our specialty.

[Unidentified reporter] Will you continue to carry out this kind of infiltration into Cuba?

[Cuesta] As long as I am allowed to, I will continue to do so. And when they do not allow me to, others will continue to do so. [end recording]

Tony Cuesta also did not hesitate to assert how public the training of the anti-Cuban paramilitary groups is. In the Everglades south of Miami, groups such as Alpha-66 and Comandos L carry out simulated invasions of Cuba every day.

Commentary on Vatican Reaction to Execution

FL2301163292 Havana Radio Rebelde Network in Spanish 1255 GMT 23 Jan 92

[Orlando Contreras commentary: "Our Opinion"]

[Text] Without the slightest bit of thought, Vatican spokesman Joaquin Navarro has joined the anti-Cuban choir led by Washington, leaving aside all facts and truth, and has made defamatory accusations and given views which clearly meddle in the domestic affairs of another state. According to a news synopsis carried by the American news agency AP, the statement made by the Vatican spokesman includes a paragraph that reads: The Holy See cannot but regret the murder of an individual for fundamentally political reasons.

In other words, for this Vatican spokesman who speaks on behalf of the Holy See, the process followed by our two tribunals, the proceedings of the Provincial and Supreme Tribunals against the infiltrators who arrived on our coasts last 29 December with confessed intentions to carry out sabotage and terrorist actions endangering the lives of our compatriots, the trials, I repeat, with all the guaranties provided by the law, were not a judicial decision but a murder?

According to that statement, the fact that the Cuban Council of State did not exercise the right the law provides, to commute the death penalty in the case of one of the two men condemned by the Provincial and Supreme Tribunals, is not based on a serene judicial and social analysis but is a murder. This constitutes a gross interference in the internal affairs of Cuba besides a brash manipulation of the reality. This can only be explained by the visible alignment of this Vatican spokesman with the anti-Cuban campaign headed by Washington. This political decision of this Vatican spokesman departs totally from the religious function, values of justice, ties with the poor, and the love of truth which characterized the emerging Catholic Church during the collapse of the Roman Empire.

Murders maybe were the strange deaths that quickly followed the fraudulent bankruptcy of the Banco Ambrosiano, and the ties with the Mafia which came to public light of the P-2 [Propaganda Due] Lodge. Criminal, seems to have been the financial manipulations of Marchinkus, a high Vatican figure in charge of finances. I am not going back in history to the era of the licentious popes, nor the refined crimes of the Inquisition, nor aspects of the Thomistic Doctrine. I believe that would be out of context. I am referring to present events over which an unmerciful cloak of dirt and forgetfulness was thrown. I am referring to terrestrial matters, political events which a Vatican spokesman joins, adding fallacies and lies to an anti-Cuban campaign.

Religious feelings and the values of the faith deserve the highest respect and consideration. In the lands of our America, most of the believers have not joined the temple merchants nor the modern Herods, but belong to the great forgotten masses who thirst for justice and love.

More on Reactions

FL2301181592 Havana Radio Rebelde Network in Spanish 1000 GMT 23 Jan 92

[Guillermo Cabrera Alvarez commentary published in GRANMA on 23 January: "The Infamous Chorus"]

[Text] It was unmistakably stressed in the Council of State statement as well as in the GRANMA editorial that every Cuban patriot respects the opinions of individuals who, immediately after the death penalty was imposed on the members of the terrorist commando unit, sincerely voiced their objections to the death sentence, even as an extreme recourse of justice, regardless of where it is applied. These persons, and particularly the religious institutions and entities, in many cases loyal friends of Cuba, have also expressed condolences to the families of the young soldiers who were murdered in cold-blood at the Tarara nautical base and their solidarity with our people.

These voices are genuine, especially now—we are not usually favored by the international media—when we are in the middle of a huge slander campaign which has begun to be orchestrated against the revolution. We must add that neither has there been a response to those who, without saying so, respect the sovereign decision of the Cuban courts and are honestly concerned for the possible consequences of increased hostility and pressure against our country.

No Cuban is surprised by the campaign which has been unleashed. We are realists and we expected it. We know very well the world in which we live and many of those who live in it. It is a world where cowardice and demagoguery are rampant.

Nevertheless, some of the voices that have rushed to join the chorus of infamy are simply unbelievable. They, at least, should be silent out of scruples and seek another way or wait for another opportunity to bow to and serve the policies of the traditional enemies of Cuba.

While this whole campaign is reaching its peak, gradually occupying more time on television and radio newscasts and in newspapers almost simultaneously with the avalanche of slander and insults which are falling on Cuba, something is occurring in Miami which from now on is supposed to erase the adjective alleged-terrorist from the media. Even the self-styled leader of the commando unit caught red-handed on the Matanzas coasts has publicly bragged to the international press about this and other similar operations. He is a resident in Miami, thanks to the humanism of the Cuban revolution that saved his life when he was seriously injured while being captured in the last of many illegal entries and exits which were carried out in May 1966 under the leadership of the Central Intelligence Agency. Released 18 years before completing his 30- years imprisonment sentence, Antonio de la Cuesta Valle spends his time recruiting cannon fodder and bragging that they have already infiltrated our country with the goal of assassinating Fidel as he tried to do in 1966.

Will the spokesperson of the Holy See react as emotionally to that as he did to the condemnation of the leader of the infiltrators? Will he feel obligated to issue a verdict on the threats and auguries of the veteran terrorist leader, operating in the shadow of the U.S. Government? Will the illustrious Vatican spokesperson take into account, when making these kinds of incursions into worldly matters, the thousand years of experience of the institution which he represents in imposing death penalties? Even though later, feeling uncomfortable with the recalled arguments of St. Thomas Aquinas, he justified, from a theological point of view, the cruel way in which so-called heretics were murdered. Will the spokesperson of the Holy See want to review in this matter the theological tenets of the venerable St. Thomas?

Certainly, the Cuban people who practice the Christian and Catholic faith, while being patriots at the same time, must feel a great deal of distress when the place from which they expect to hear great truths dictates counsels and warnings on the Cuban situation which appear to be drafted by the U.S. Department of State itself.

The chorus has not lacked figures who have received international awards, whose political culture does not seem to be able to transcend the policies of Ronald Reagan and his legend of the evil empire and appear to be nourished on the acquired notions of the U.S. cartoon strips; as is the case of Octavio Paz and Oscar Arias, who made the error of describing the terrorists as dissidents and people searching for a political niche in a new version of a conspiracy of fools.

A voice that contributes its singular experience of infamous material is the president of El Salvador, impatient to debut in his role of human rights champion after the signing of the peace accords. With regard to the peace accord, there is no reason to deny him the credit which he may deserve. But the accords do not constitute a Jordan River for a government that has witnessed crimes like the murders of the Spanish Jesuit priests and their collaborators.

According to Mr. Alfredo Cristiani, the death penalty does not exist in his country. What he does not mention is the suffering brought on by many lawless deaths. The Muscovite newspaper, IZVESTIYA, must be added at this time to the inventory of infamous deeds. It takes first place among international, libelous right-wing publications. When faced with these inventions, the Madrid editors of ABC are green with envy. Lacking talent and experience in these fights, and possible victims of an infantile mimicry of the omens of the current Russian situation, the IZVESTIYA editors have stated that the

government, and especially Comrade Fidel, wanted to provoke a civil conflict which would justify imposing a state of emergency as a means of remaining in power.

It is true that no plumed hysteric, suffering from a seemingly uncurable coprophilia, could weaken the genuine feelings of friendship and solidarity which unites us with the Russian people and all the republics which formed the Soviet Union. We hope the editors of IZVESTIYA can continue having a country in whose name they can speak and a society that does not continue to crumble, threatening the stability and peace of the world.

They say that something entirely unbalanced has been produced in our country; a political stumbling; something very tragic; international public opinion is ignored; a brutal and foolish act; the imposition of a death sentence without a legal process.

A disproportionate event would have resulted if these individuals had achieved their goals, plunging our people into a blood bath. It would have a been a political blunder to give so many estranged and desperate people in the United States a false signal. Something very tragic is that the counterrevolution really believes that it will have a second chance. A real death penalty without due trial is what is habitually carried out in the United States, where right now more than 2,000 prisoners are waiting to die by lethal injection, electrocution, gassings, and hangings. It is depressing to know that there are more than 50 crimes that call for capital punishment in that country, along with all its emotional and physical suffering.

If we ignored certain international public opinions, we could also say that national opinion was not pleased either: The majority of the people wanted the three terrorists to be punished with greater severity. A brutal and foolish act would be to not denounce the impunity with which terrorist actions are planned in the United States and to deny a word of understanding and solidarity to the Cuban people who are worthy, as never before in our history, of respect and admiration.

Mexico Respects 'Domestic Policy Decisions'

FL2301235292 Havana Radio Rebelde Network in Spanish 2058 GMT 23 Jan 92

[Text] The friendship of the Mexican nation toward the Cuban revolution and its invariable line of respect for Cuba has been expressed once again in the face of the disinformation campaigns of our imperialist enemies, which have increased in recent days.

Mexican Foreign Under Secretary Javier Barros Valero reiterated to the local press that his country respects the domestic policy decisions of other governments, referring to the execution of a Cuban counterrevolutionary. Barros said the Cuban Government acted responsibly, measured [words indistinct] respect the decisions that have to do with the internal control of nations with which they maintain ties.

Cabrisas Arrives in DPRK To Sign Accords

FL2401142592 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Jan 92

[Text] Cuban Foreign Trade Minister Ricardo Cabrisas arrived today in Pyongyang, the capital of the DPRK, to sign the 1991 protocol and trade accords and finance agreements for the 1992-1995 period. The main exports to the DPRK will consist of sugar, nickel, glue, and tobacco leaves. Cuba will import agricultural and industrial machinery, as well as manufactured goods.

Paper, Medical Supplies To Arrive From France

FL2301202192 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Jan 92

[Text] A news conference was held this morning at the Cuban Institute of Friendship with the Peoples on the upcoming arrival from France of a vessel loaded with aid for Cuba. Reporter Juan Carlos Roque Garcia interviewed Agustin Delgado Rodriguez, secretary general of the National Culture Union, who is a member of the commission in charge of receiving the donation.

[Begin recording] [Roque] What is included in this shipment?

[Delgado] Saturday, the Bahia de Cardenas ship of the Cuban Merchant Fleet will arrive carrying a shipment which includes not only the donation of the French graphics workers, but also an important donation of medicines from the French Communist Party, basically, raw materials for our pharmaceutical industry. This is part of a comprehensive international solidarity work in support of Cuba, to help us overcome the difficult situation which we are experiencing.

[Roque] Could you specify what products are included in the shipment?

[Delgado] Yes, there are more than 200 tons of paper, 15 tons of photographic film, chemical products, inks, and especially, something truly important, 25 tons of school notebooks for the Cuban educational system. This aid is not going to solve the problem, but undoubtedly will help, besides having a great political significance. The donation of the French workers and Communists—in printing and medical supplies—represents more than $1 million. I believe that this is significant.

In the case of the medicine, it is not medicines per se, but raw materials for the pharmaceutical industry, such as for the production of aspirin and vitamin C, a whole number of products with which we are experiencing serious problems in the country for reasons we are all aware of. [end recording]

Venezuelans Organize National Solidarity Movement

FL2401014192 Havana Radio Rebel Network in Spanish 2146 GMT 23 Jan 92

[Text] A promotional committee has announced that the growing demonstrations of Venezuelan solidarity with Cuba, including the sending of oil, will be coordinated at a national level. The team, which will hold its first meeting at a national level next month after meetings in each state are held, described the situation that Cuba is facing as difficult, due to the double embargo to which it is subjected.

The promotional committee for the First Assembly for National Coordination of Solidarity with the Cuban People outlined the initiatives taken by workers, religious organizations, professionals, and intellectuals. Among these initiatives is the most recent one: A Barrel of Oil for Cuba.

Several Venezuelan painters will auction their works of art to collect funds for the Cuban revolution, while journalists will contribute one day's pay. The campaign is being carried out under the slogan: End the U.S. Embargo Against Cuba.

Former Dissident on Human Rights Activists

PA2301195892 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Jan 92

[Interview with Tania Diaz Castro, former member of the dissident Cuban Human Rights Committee, by Radio Havana Cuba reporter Barbara Betancourt; date and place not given—recorded]

[Text] [Betancourt] From 1988 to 1990, the name Tania Diaz Castro was often mentioned along with that of Ricardo Bofill [president of the Cuban Party for Human Rights] because they worked together in the so-called Cuban Human Rights Committee [CCPDH]. We received a telephone call from Tania Diaz Castro while the legal proceedings against the three counterrevolutionaries who illegally entered our country on 29 December 1991 were underway. She wanted to reveal some information on brothers Sebastian and Gustavo Arcos Bergnes and Jesus Yanez Pelletier, who call themselves defenders of human rights.

[Begin recording] [Diaz] I listened to a program recently. Now, I cannot even give you the name of the program, but the anchorman's words made me laugh. He asked himself: Why did Gustavo Arcos' name appear in the terrorists' notebook? Why were they [not further identified] picking on Gustavo Arcos? Why was Gustavo Arcos mentioned at the trial? When I heard these questions, I said to myself: Tania, you know why Gustavo Arcos is involved. Why not reveal this information? I have in my hand and in my mind—in my hands because I can write it and in my mind because I can state it—the reasons for Gustavo Arcos' involvement.

Gustavo and Sebastian Arcos and Yanez Pelletier are the reasons I started to have second thoughts about the human rights struggle. I reached the conclusion that I would not continue this struggle because I could not destroy my country or continue to hate Fidel Castro.

[Betancourt] Tania, do you say this because the Arcos brothers and Pelletier told you not to continue in the human rights struggle? Or, was it that you gathered from their actions that the goals they preached were not what they really intended?

[Diaz] Of course not. When I left prison in November 1989 I found a reality that was very different from the one I had left early in 1989. I was in jail for a year. Confronted with such a reality, any true Cuban, who is not an egotist or an enemy of his own brothers, would have abandoned the human rights struggle. Why? Because these three individuals, Gustavo and Sebastian Arcos and Yanez Pelletier, whose names appeared in the terrorists' notebook as was shown during the recent television program, had special passes to enter the Interests Section and this really surprised me....

[Betancourt, interrupting] The U.S. Interests Section office?

[Diaz] Right, the U.S. Interests Section. They had special passes to enter. They themselves showed me the passes. They saw the passes as a diploma. The passes meant: I can go there whenever I want to. I will not have to go through any bureaucratic procedures. Those passes, of course, gave them access to meet with certain directors—high-level directors—of the U.S. Interests Section, such as (Mr. Brensy) and others at higher levels.

I went on one occasion. Yanez Pelletier insisted that I go and said: You have to go. We will pick you up. We are going to go. I will pick you up. So he even went to pick me up at my home in a cab. This is something I have never told anyone. I am going to tell it for the first time, for your information. This is an unpublished anecdote. So he picked me up at my home and took me to the Interests Section. I believed that at that time I was fulfilling the requirements, that I was going through the procedure. I thought that was a normal procedure, perhaps to sign a list, to get some information. Much to my surprise, we met with a member of the U.S. State Department. Amid a lot of mystery we went to (Brensy's) office. I entered with Yanez Pelletier and through a rather mysterious door....

[Betancourt, interrupting] An inside door?

[Diaz] Yes, an inside door, through which two people entered. One of them was evidently a psychologist. She was a woman psychologist who observed me and gave her diagnosis of my personality at the end of the meeting. The other was a member of the State Department. I do not know his name, because he was not polite enough to tell it to me. He also asked me a lot of questions.

Finally, the State Department psychologist told me that with my brave personality and so on and so forth, in her opinion, I had a major defect. I would have liked to continue talking with her so that I could point out some defect of hers, but I did not get the chance. She said that I was very belligerent. She said that I was too belligerent. I remained silent and did not answer out of respect and decency, and then I left with Yanez. Later I asked Yanez: What about that woman calling me belligerent? Did she mean it as a compliment or as a.... [pauses] I do not think is was a compliment, because she said that it was a defect.

In conclusion, that shows you the level of trust and reliance that these U.S. directors in Cuba have in Yanez Pelletier, when they told him that I was to meet with a member of the State Department. He did not even tell me. The thing is....

[Betancourt, interrupting] You did not find it strange to hear the names of these people?

[Diaz] No, no, no. Not at all. Not at all. There are two or three missing, though. There are two or three names missing, which I will mention when the next group of terrorists comes along with the names of the others. When they bring the complete list.

The case of Gustavo Arcos is very obvious. Right now, I do not even know if they continue to have that privileged status with special passes to the U.S. Interests Section office. I did not take the trouble to find out, which may have been easy through some comrade. I do not know.

Then I thought to myself, here are these three people, three human rights activists—even this man they nominated for a Nobel Prize—who are involved in such continuous and permanent complicity with a foreign government, an enemy government. Do you not think that these anti-Cuban broadcast stations are naive in asking: Why Gustavo Arcos? Come, now! Either they are very contemptuous, or they are imbeciles. I do not know what they are, but they know about Gustavo Arcos, Yanez Pelletier, and Sebastian Arcos. They know perfectly well that they are three vicious anticommunists who have never had even a tiny little bit of love for the proletarian class. They do not have even the slightest bit of... [pauses] three mediocre individuals, who are frustrated as human beings, whose wish is to live in the land of abundance, where the store windows are full and where you can at least look if you cannot buy.

[Betancourt] You think that they are being manipulated and that the work they are doing in Cuba is not really done in good faith? Do you believe in their sincerity?

[Diaz] What do you mean by good faith?

[Betancourt] That is right. You do not believe them, for example, when they say that they have become human rights defenders and that they really seek an atmosphere of harmony in Cuba?

[Diaz] No, not at all. Gustavo Arcos wants the polyclinics to become private clinics. He wants that and he also wants the owners of the buildings to come and tell the tenants: Look, you can live here until such and such a date, because I want the apartment empty by such and such a date. What he wants is for the schools to become gambling halls, or who knows what—the state schools that are free. Their struggle has never been sincere. It is purely a cruel anticommunist struggle.

Gustavo Arcos hates Fidel Castro very much. I remember that and for me it is very, very unforgettable, you must realize. [end recording]

[Betancourt] You have just heard statements by Tania Diaz Castro, a former militant of a minuscule group that calls itself defender of human rights in Cuba, to whom the foreign press no longer dedicates big headlines. She no longer receives support from the U.S. Government for the simple reason that she no longer serves their interests.

Factory Worker Sentenced to 20 Years for Sabotage

FL2401024092 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Jan 92

[Text] Today, Maurilio Ruiz Vinin, a former worker at the Celia Sanchez Manduley textile factory in Santiago de Cuba, was sentenced to 20 years in prison for the crime of sabotage. To try the defendant, the section for Crimes Against State Security of the Santiago de Cuba Provincial Tribunal held its session in the auditorium of that important textile factory, which is the largest in Latin America.

Working with this news program, Cesar Lechuga Otero, a colleague from the provincial directorate of the news program, pointed out that citizen Ruiz Vinin, age 36, an electrician and mechanic at the factory, stole more than 500 parts with the deliberate intention of affecting the production of the finished product, as well as creating problems among the workers of the textile factory due to lack of tools.

During his oral public hearing, and through witnesses and the Ministry of Justice, the charges were proven. The prosecutor requested a sentence of 18 years in prison. The tribunal, presided over by Attorney Magali Vaquero, ruled that the sentence should be 20 years. This sentence, applied to Maurilio Ruiz Vinin, a former worker at the Celia Sanchez Manduley textile factory in Santiago de Cuba for the crime of sabotage, may be appealed within a period of five days before the Section for Crimes Against State Security of the Supreme People's Tribunal.

Pedro Ross Urges Increased Civil Defense Efforts

FL2401143092 Havana Radio Rebelde Network in Spanish 1000 GMT 24 Jan 92

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation and member of the Communist

Party of Cuba Politburo, has made a call for the intensification of the construction of fortifications and shelters in Las Tunas Province. During a plenum with the union leaders of the eight Las Tunas municipalities, where the work done in 1991 was evaluated, Ross stated that it is also necessary to prioritize these types of construction projects in order to protect the workers and the people.

He pointed out that they should take advantage of the available resources and conditions in the province in prioritized tasks such as self-sufficiency, the Manati Plan, the Unified Vigilance and Protection System, and food services.

Villa Clara Farmers Plan for Greater Productivity

FL2301201692 Havana Radio Progreso Network in Spanish 1200 GMT 23 Jan 92

[Text] This year, the Villa Clara farmers also face the greatest challenge in their history because their goals must be achieved under the most difficult circumstances ever. Last year they harvested less than projected, approximately 2,700,000 quintals of vegetables and orchard products, yet they currently plan to harvest approximately 4 million quintals.

During a news conference, Carlos Esquivel, agricultural delegate from Villa Clara, confirmed that there were limitations, such as fuel, of which only 22,000 tons were received last year, in contrast to the approximately 35,000 tons received in 1989. He said the efficient use of resources must be a permanent policy to solve deficit problems as well as a way to exercise discipline in complying with technical standards, one of the greatest problems.

The farmers of Villa Clara have put away 600 machines, replacing them with 11,000 animals plus 2,500 animals in training. Farm equipment and tools adapted to animal traction are being manufactured. They are expanding the use of biological measures to fight plagues and disease, and encouraging ideas that solve problems.

To the traditional capriciousness of the weather you must add the reduction of resources, but the farmers of Villa Clara have drafted a strategy to continue producing.

Research Projects Prioritized by Science Academy

FL2401135292 Havana Radio Progreso Network in Spanish 1200 GMT 24 Jan 92

[Text] The Matanzas branch of the Cuban Science Academy has given priority to 18 research projects this year. These prioritized projects are based on their economic, social, and scientific importance. The topics covered by some of the prioritized programs in Matanzas are biotechnology, alternative medicine, and tourism.

Lately we have been thoroughly reporting the development of numerous scientific areas in Villa Clara, Ciego de Avila, Santiago de Cuba, and some of the other regions of the country, which demonstrates that in this sector we are progressing in concrete ways.

Haiti

Police Deny Alleged Plot To Murder Deputies

FL2301192692 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 23 Jan 92

[Text] The Port-au-Prince police have denied that four deputies met last week at the Investigation and Antigang Service to plan the assassination of five of their colleagues.

The Military Department of the Metropolitan Area says it is surprised to hear on the radio that a meeting aimed at assassinating four [number as heard] deputies of the 45th Legislature including Joseph Fignole Jean-Louis, Samuel Milord, Samuel Madistin, and Alexandre Medard because of their public opinions has reportedly been held at the headquarters of the Investigations and Anti-Gang Service. Officials at the headquarters categorically deny all these statements as the Investigation and Antigang Service is not a place where meetings can be held by deputies in order to assassinate other deputies.

It is also surprised to hear.... [corrects himself] It is a shame that these four deputies preferred to use the media to provide information on this state of insecurity. The same military department says once again that it invites all citizens to inform the police anytime they feel their lives or their properties are threatened.

The note that denounced that plot came to the press with the signatures of three deputies including Joseph Fignole Jean-Louis, deputy of Mirebalais; Samuel Milord, deputy of Grande Saline; and Samuel Madistin, deputy of L'Estere. According to the note, a first meeting was held on 16 January on the premises of the Investigation and Antigang Service in the Police Department of Port-au-Prince and five [number as heard] deputies of the 45th Legislature presented a report on the new office of the Chamber of Deputies. They have decided to kill Mirebalais Deputy Joseph Fignole Jean-Louis, Desdunes, Grande Saline Deputy Samuel Milord, and L'Estere Deputy Samuel Madistin.

The people involved in the plot think that because of the presence of these deputies at the Chamber of Deputies they have many problems in applying Article 149 of the Constitution in the manner they would like. According to the same note published by the three deputies, a second meeting was held in Santo Domingo.... [corrects himself] It was held rather in Santo on 17 January between 6:30 and 11:25 [AM or PM not specified].

Several former torturers including one named Ti Paul and Mirabeau Petit-Homme, who had been released from jail recently, were present. There were several

military men in civilian attire at the Santo-12 meeting. Each person received 1,500 gourdes. The name of the new Chamber of Deputies President Alexandre Medard was added to the list of deputies to be killed.

As we told you, that is the first note sent to the press by these three deputies to denounce, according to what they said, a plot being concocted to kill five deputies.

Cedras Fails To Attend Army Budget Meeting

FL2401000292 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 23 Jan 92

[Excerpts] [Passage omitted] The meeting scheduled for 22 January between the Army high general staff and the senatorial Committee for Finance, Economics, and Development, to modify the 1992 budget of the Army and further explain it, was canceled because of the absence of Army General in Chief Raoul Cedras. According to the Senate, without the presence of the general in chief, Army regulations would not be respected. [passage omitted]

It should be noted that three high-ranking Army officers were present to participate in the meeting. Senator Mondestin said the presence of the general in chief is crucial because he is responsible for the preparation and execution of the budget. He advised that nobody has yet filled the post of assistant commander in chief of the Army. He further said that the 1992 budget of the Army amounts to 210 million gourdes. [passage omitted]

Mondestin Seeks Compromise Among Internal Forces

FL2301212992 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 23 Jan 92

[Excerpts] [Passage omitted] Senator Rony Mondestin has said: I think it would be unfortunate for any of the parties to toughen its position in view of the crisis that the country is going through. The senator believes that such a decision would demonstrate that good sense will never triumph in Haiti as long as we are looking for democratic expansion to solve the country's problems. Rony Mondestin thinks that as a senator he must do all he can to reconcile differences within the parliament to reduce the country's suffering from this political crisis. [passage omitted]

According to Senator Mondestin, the country has always been dependent. The situation has not yet changed and it will remain unchanged unless all Haitians unite to create a new kind of society based on tolerance and in which differences can be respected. [passage omitted]

Senator Mondestin pointed out that Haiti must find a negotiated solution among all the vital forces of the country in order to overcome this crisis.

Senator Dupiton Favors 'Constitutional Solution'

FL2401014092 Port-au-Prince Radio Metropole in French 1145 GMT 23 Jan 92

[Text] Senator Thomas Dupiton favors the postponement of negotiations with the OAS regarding the crisis. The Artibonite senator believes that all sectors of the country should be consulted before making a definitive decision. Senator Dupiton, of the National Front for Change and Democracy, advocates a constitutional solution. He met with the American ambassador in the company of the Senate Republic Bureau. Rotchil has more details:

[Begin recording] [Rotchil] The American ambassador is still visible within the framework of the Haitian crisis. On 22 January, Alvin Adams talked for more than an hour with members of the Senate Republic Bureau. On the agenda for these talks was the question of resumption of negotiations.

According to information provided us by the senators, the American diplomat supports the continuation of talks as a solution to the Haitian crisis. Alvin Adams, escorted by his bodyguards, limited himself to making statements to the press. The Senate Bureau made the ambassador understand that continuation of the negotiations depended on the senators.

Lawmaker Eddy Dupiton, who participated in that meeting, clearly favors a constitutional solution to the crisis. The senator believes that the word, talks, should replace the word, negotiations, as suggested by the OAS. Dupiton is of the opinion that the Senate should discontinue the talks, test all the country's sectors before making any decisions. Senator Dupiton acknowledges that the situation is not easy.

[Dupiton] Well! It is not an easy matter to get ourselves involved in a question that some people want to negotiate. It involves the nation's responsibility. We, as the Haitian people's representatives, must be in touch with all the concerned sectors of Haitian life to know how to move forward. That is why we must stop to take the country's pulse and discover how to advance. Each representative will come forward with the consensus from his territory and express his countrymen's reactions, proposing how we should proceed, based on a firm, national position.

[Rotchil] Senator Dupiton, do you think that we are moving toward elections, or that the negotiated solution will prevail?

[Dupiton] The question being asked—we have an executive on duty; an executive with a mission to watch over the Constitution and to protect the country—therefore we are going through a crisis which has to be well managed. We in parliament are protecting the Constitution and looking out for each person within our respective jurisdictions. It is our responsibility to remain

within the limits of the Constitution in order to give to the country what the country is justly waiting for. [end recording]

Senator Dupiton also confirms for us the birth of an alliance within the Senate. The senators, having formed this alliance, can develop an affinity within the framework of the crisis, stated Thomas Eddy Dupiton. They had indeed voted last week against the parliamentarians traveling to Washington to take part in the OAS meeting.

Arrests in Casale Follow Circulation of Pamphlet

FL2301210392 Port-au-Prince Radio Soleil Network in Creole 1200 21 Jan 92

[Report by Cabaret correspondent Jean-Joseph Sanon]

[Excerpts] Several persons, including Kechener Pierrilus, director of the Saint Michel chapel, were arrested in Casale on 18 January 1992. These arrests seem to be the result of certain leaflets that were circulated in Casale. According to witnesses, the arrested individuals reportedly received several blows. The parish priest of Cabaret, Father Philippe Charlot, who is the first official of the chapel, made a statement in which he said he does not accept what happened. He does not know the reason for these arrests, but he objects, and asks that the chapel director be released as soon as possible. [passage omitted]

Meanwhile, steps are being taken to release the youths. Most young people have gone into hiding because of the arrests in Casale.

Casale Arrests Protested

FL2301211792 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 23 Jan 92

[Text] Concerning the arrests that took place in Casale over the weekend, the League of Former Haitian Political Prisoners [LAPPH] has denounced the fact that the police arrested these people without even informing them of why. Since then, reports the league, everyone has gone into hiding in the bush.

LAPPH asks the government and head of the Army to do their best so that those who had been arrested can be unconditionally released, to give instructions to put an end to arbitrary arrests, and to allow everyone to return home to resume their normal activities.

LAPPH urges all citizens and authorities in the country to show solidarity with the population of Casale who has been hit once again.

Propane, Butane Price Reduction Report Questioned

FL2301230792 Port-au-Prince LE NOUVELLISTE in French No. 34.221 22 Jan 92 pp 1,8

["Excerpt" from the "Stirs of the News" program, entitled, "Propane Gas: A Mystery to Clear Up"]

[Text] A communique last week from the Commerce Ministry informed the public that butane and propane gas would be put on sale beginning 17 January. In the same note, the ministry announced new prices for 6-pound, 25-pound, and 100-pound tanks. New prices, deemed exorbitant....

Information Minister Henri Piquion appeared on Television Nationale d'Haiti on 17 January announcing that the prices of the tanks had been reduced. After Minister Piquion's appearance, the importers allegedly decided not to sell the product at reduced prices. On 18 January, the day after the above announcements, it was impossible to buy propane in the main distribution centers in Port-au-Prince. Mystery!!!

Is it a conflict of interests or a conflict of authority? To find a modus vivendi, the two ministries can initiate "negotiations" over the new prices which are undoubtedly the result of fluctuations in the exchange rate of currency on the national market.

Cuban Ambassador Reacts to Death Sentence

PA2201164692 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 22 Jan 92

[Text] Cuban Ambassador to Mexico Jose Fernandez de Cossio has stated that Cuba is always willing to hold a dialogue with the United States, but without conditions. He added that Latin America can serve as a bridge for communication. Fernandez de Cossio visited the Mexican Senate on 21 January. This is what he stated:

[Begin recording] [Reporter] Do you fear new infiltrations by terrorists?

[Fernandez de Cossio] The infiltration of other terrorist groups cannot be ruled out because these terrorist groups are basically headquartered in Miami. Their addresses are known. Their leaders appear on U.S. television making statements about what they plan to do about Cuba. They have training camps in Florida, but nothing is done against them there. This creates a dangerous situation as the impunity with which they act encourages adventures, such as the most recent one. This was the third attempt to infiltrate terrorists in Cuban territory in 1991.

[Reporter] What is the likelihood that capital punishment will be eliminated in your country, which is one of the few in Latin America which maintains capital punishment?

[Fernandez de Cossio] For the time being, capital punishment is established in the Cuban penal code for a group of very grave crimes. One of these grave crimes is terrorism. I think that as long as there is terrorism, such a punishment cannot be modified by the National Assembly.

[Reporter] [Words indistinct] lead to new blockades. There has been a marked reaction against it worldwide. Could this lead to a new blockade?

[Fernandez de Cossio] The Cuban Government and people respect honest and sincere opinions of people who do not believe in capital punishment in Cuba or in other countries where it exists, including the United States, where it is applied more often than in Cuba. We reject those hypocritical and pharisaical requests by those who urge terrorists to come to this country with weapons and plans to harm the people, property, and economy. They say nothing about a 30-year blockade, which is illegal and criminal and harms all the Cuban people, depriving them of the most basic products, including medicines. [end recording]

Government Communique on Capital Punishment

PA2301172992 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 23 Jan 92

[Communique issued by Mexican Foreign Secretariat—date and place not given]

[Text] Through the Foreign Secretariat, the Government of Mexico hereby responds to the questions of the various representatives of the media with regard to the recent execution of a Cuban infiltrator in Havana, Cuba.

Upholding its principle of nonintervention, Mexico does not pass judgment on the juridical or penal systems of other nations. Nevertheless, our country has deeply rooted juridical traditions that exclude capital punishment, and this has become a worldwide demand within the framework of human rights.

This Mexican juridical practice has led the government of the republic to be very active when our nationals have been sentenced to capital punishment in other countries in seeking the commuting of the punishment and respect for their rights.

Likewise, Mexico has always strongly condemned acts of terrorism and subversion against the people and government of any sovereign state.

More on Death Penalty

PA2301035792 Hamburg DPA in Spanish 0244 GMT 23 Jan 92

[Text] Mexico City, 22 Jan (DPA)—The Mexican Foreign Secretariat on 22 January indirectly criticized the execution of Cuban exile Eduardo Diaz Betancourt when it asserted that, although it is not its policy to judge other countries' judicial or penal systems, it does not support the death penalty.

What was virtually an explanation came one day after a ranking Foreign Secretariat official refused to comment on the alleged Cuban terrorist's execution.

"Mexico does not judge other countries' judicial or penal systems, invariably adhering to the principle of nonintervention," the Foreign Secretariat confirmed in an official communique.

"Nevertheless," it underscored, "the Foreign Secretariat must point out that in our country there is a deeply rooted judicial tradition that excludes the implementation of capital punishment, which has become a universal demand within the framework of human rights."

Deputy Foreign Secretary Javier Barros Valero on 21 January refused to comment on Diaz Betancourt's execution, alleging that Mexico's traditional foreign policy is based on respect for the internal decisions of the countries with which it maintains relations.

In its communique, the Foreign Secretariat recalled that the Mexican Government "has been especially active

when fellow nationals have been condemned to capital punishment in other countries, in its efforts to have their sentences commuted and their rights respected."

The document also pointed out that "Mexico has traditionally expressed very strong condemnation of terrorism and subversion against the people and government of any sovereign state."

The Mexican Constitution considers the death penalty for traitors to the fatherland in a foreign war and for individuals who perpetrate serious military crimes, among other cases, although this law has not been enforced for many decades.

Government To Send Supplies, Equipment to CIS

PA2301222692 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 23 Jan 92

[Text] Mexican Foreign Secretary Fernando Solana Morales has announced that Mexico will provide assistance to three republics of the Commonwealth of Independent States [CIS]. Solana pointed out that although Mexico wishes to help the CIS countries cope with their difficulties, it also wants to establish long-term ties with the three republics.

The Mexican assistance will consist basically of medicine, surgical and medical equipment, technology exchange, and administration of health services.

El Salvador

Reportage on National Reconciliation Law

'Limited Amnesty' Announced

PA2301203392 Panama City ACAN in Spanish 1942 GMT 23 Jan 92

[Text] San Salvador, 23 Jan (ACAN-EFE)—Salvadoran guerrilla commander Francisco Jovel annouced today an agreement had been reached with the government and the political parties to grant a limited amnesty in the country.

In statements made to Salvadoran Canal Dos Television while in Mexico—where a meeting with the government and the political parties was held on 22 and 23 January—Jovel said crimes punished by civilian courts, such as the murder of the six Jesuit priests and the two women in 1989 for which one colonel and one lieutentant were sentenced last September, will not be included in the amnesty.

Nonetheless, those crimes brought before court martials will be included in the amnesty. This will allow the guerrillas to circulate freely throughout the country, as the peace agreements signed last week in Mexico specify.

The commander met with delegates from the government and the political parties at the headquarters of the National Commission for the Consolidation of Peace, Copaz. Copaz had not been able last week to reach an agreement inasmuch as the government insisted on a general amnesty, which the guerrillas and most of the political parties opposed.

The government and the guerrillas signed a peace agreement last 16 January in Mexico, after 12 years of war that left 75,000 dead, according to humanitarian organizations.

Copaz Agrees With Exceptions

PA2401042992 San Salvador Canal Doce Television in Spanish 0304 GMT 24 Jan 92

[Text] The Salvadoran Government, political parties, and guerrilla groups agreed by consensus—during the Copaz [National Commission for the Consolidation of Peace] meeting in Mexico City—to approve a draft amnesty law that will benefit former Farabundo Marti National Liberation Front [FMLN] and Army fighters. The document also clearly states that cases not included in the amnesty will be determined by the Commission of Truth, which was created as a result of the peace agreements.

Copaz was still working at Comalapa Airport at 1800, drafting the last paragraphs of the draft amnesty law. According to Copaz members, it was agreed by consensus to grant an amnesty for all violent actions perpetrated in the country between January 1980 and December 1991—except the Jesuit case and the deaths being investigated by the Commission of Truth, which include the murders of [Doctor Jose Antonio] Rodriguez Porth, the FENASTRAS [Salvadoran Workers National Union Federation] members, Monsignor Oscar Arnulfo Romero, Francisco Peccolini, and the massacre of El Mozote. The amnesty also excludes all the cases that have already been tried by our country's courts.

Referring to the Jesuit case, the culprits might also receive the benefit of an amnesty—provided that the Commission of Truth issues a ruling and that it is also studied by the Legislative Assembly, it was stated by Mario Aguinada Carranza and General Juan Orlando Zepeda, deputy defense minister and member of Copaz.

[Begin recording] [Aguinada] This will result in the release of political prisoners and guarantees for crippled fighters. It also clearly states that crimes perpetrated prior to 31 December 1991 are included in the reconciliation law. Another point categorically states that the cases reviewed by the Commission of Truth cannot be immediately included in the amnesty. We must wait six months after the Commission of Truth presents its report, and each case must be individually reviewed by the Legislative Assembly. Another important fact is that the law also excludes the actions on which rulings have already been issued—for example, the Jesuits case. The culprits will not be included in the amnesty. We must also wait six months after the Commission of Truth presents its report before the Legislative Assembly reviews that specific case and issues a ruling according to the Constitution of the Republic.

[Zepeda] Yes, the Jesuits case must be included because the motivation in this case—meaning their deaths—is not different; it was clearly done for political reasons. The motives behind this deplorable mistake were clearly political. I think that there is a consensus that these persons should be pardoned. [end recording]

Both the amnesty and the Copaz law must be approved tonight by the Legislative Assembly, and everything seems to indicate that the consensus reached by the eight political parties, government, and the FMLN will be followed by the 84 Legislative Assembly deputies.

The plenary session in which the amnesty law must be approved has yet to start, but Legislative Assembly Vice President Ruben Zamora said that there is an agreement for the approval of this measure—which will exclude several political crimes and common crimes.

[Begin Zamora recording] All the members have reached a consensus to submit a draft national reconciliation law to the Legislative Assembly for its approval without following the usual procedures. Its basic characteristics are as follows:

1. It grants amnesty to all persons involved in political crimes during the war in our country.

2. It clearly establishes an exception to the amnesty—all those cases listed by the Commission of Truth when it issues a report. Whoever is mentioned by the Commission of Truth in a list which recommends that these

persons be tried will not be included in the amnesty. They will be excluded from the amnesty.

2. [as heard] All those who have already been condemned by a court for their participation in a political crime will be excluded from the amnesty. These cases include—meaning that the amnesty cannot be applied in their case—the Zona Rosa case, Colonel [Guillermo Alfredo] Benavides, and the Jesuit priests' case. [end recording]

'Text' of Reconciliation Law

PA2401060892 San Salvador Radio Cadena YSKL in Spanish 0220 GMT 24 Jan 92

[Report by Rene Hurtado at the Legislative Assembly in San Salvador—live]

[Text] We are reporting live from the Legislative Assembly. The plenary session scheduled for 1600 has yet to begin, but the Copaz [National Commission for the Consolidation of Peace] members are here. Radio Cadena YSKL always manages to get the information—even before it is approved. We will now read the text of the decree that will be approved this very night. It refers to an amnesty, but it is called by another name, as follows:

The National Assembly of the Republic of El Salvador

Whereas;

1. The successful culmination of the peace negotiation process opens the door to a new social coexistence based on mutual respect and recognition. It is therefore necessary to issue the necessary legislative measures to overcome the state of violence and acute confrontation that Salvadorans have withstood in recent years.

2. To make this new social coexistence a reality, it is necessary to sponsor a national reconciliation process in which forgiveness plays an important role.

3. On 16 January, the Mexico City Peace Accords were signed in a solemn ceremony, and they state that the necessary legislative measures must be issued to allow all Salvadorans to enjoy the rights stated in the Constitution.

4. The peace accords clearly establish a timetable for the members of the Farabundo Marti National Liberation Front [FMLN] to join civilian life within a fully legal framework.

5. To rebuild our society, it is appropriate to establish a sensible deadline so citizens who feel they were affected by the events that have occurred in recent years may request an investigation of the same. The Commission of Truth must be given enough time to carry out the investigations. It is equally important to prevent the uncertainty of a judicial persecution from indefinitely looming over our society.

6. According to Article 131, Paragraph 26, of the Constitution, the Legislative Assembly is empowered to grant an amnesty law for political, common, and related crimes perpetrated by a group of no less than 20 persons.

Therefore, according to its constitutional authority and upon proposals presented by the members of Copaz in its provisional state—Juan Antonio Martinez Varela, Juan Orlando Zepeda, Mauricio Ernesto Vargas, Francisco Jovel, Joaquin Villalobos, Miguel Saenz Varela, Armando Calderon Sol, Jose Francisco Guerrero, Fidel Chavez Mena, Gerardo Lechevalier, Ciro Cruz Zepeda Pena, Jose Rafael Machuca, Ruben Zamora, Carlos Diaz Barrera, Victor Manuel Valle, Mario Aguinada Carranza, Norma Guevara, Guillermo Antonio Guevara Lacayo, Pedro Alberto Hernandez—and upon initiatives from Deputies Guillermo Antonio Guevara Lacayo, Mario Aguinada Carranza, Ruben Zamora Rivas, Ciro Cruz Zepeda, Fidel Chavez Mena, and Jose Francisco Guerrero, it is decreed:

National Reconciliation Law

Article 1. Amnesty is granted to all persons who have participated—either directly, indirectly, or as accomplices—in the execution of common political crimes or related crimes; and in common crimes perpetrated by a group of no less than 20 persons prior to 31 December 1991.

Article 2. For the purposes of this law, in addition to those specified in Article 151 of the Penal Code, the crimes listed from Article 373 to 380, and from Article 400 to 411 of the same code; Article 76 to 89, 91, and 92 of the Military Justice Code; and those perpetrated by any person due to and as a result of the armed conflict will be considered political crimes.

Article 3. The members of the FMLN who form Copaz, and those who form the groups and subcommissions which are considered useful for the fulfillment of their mission, will benefit from this amnesty without detriment to what is stated in Article 6. This will also include all the FMLN members who comprise commissions derived from the peace accords signed in Mexico. The amnesty will become effective on 1 February 1992.

Article 4. The amnesty will also apply to FMLN noncombatants outside the country; those arrested for political crimes; and crippled persons who are outside the country and who are members of the same group, effective 1 March 1992.

Article 5. The FMLN members who, in compliance with the peace accords, must remain temporarily armed in places that are specified in the accords, will not benefit from the pardon until they have abandoned that situation. They must prove this with an affidavit issued by UN Observers for El Salvador. Nevertheless, penal and civil actions that may be initiated against them for actions included in this amnesty will be suspended during the period to which this article refers.

Article 6. The amnesty will not apply to persons who, according to the Commission of Truth report, may have participated in grave acts of violence that occurred since 1 January 1980 [words indistinct] society urgently demands to know the truth be publicly known regardless of the sector to which they belong. Likewise, the pardon will not apply (?to persons) who have been condemned by a court jury for any of the crimes included in the amnesty. The Legislative Assembly will be able to adopt the resolutions that it considers appropriate in these cases—six months after receiving the final report from the Commission of Truth.

Article 7. The amnesty granted by this law will yield the following results:

A) If dealing with persons sentenced to prison terms, the judge or jury issuing the sentence will immediately order the condemned persons' release without paying bail.

B) If dealing with persons condemned in absentia to prison terms, the appropriate judge or jury will immediately withdraw the arrest warrants issued against those persons, and they will not need to pay bail.

C) If dealing with cases of indicted persons whose trials are still pending, the appropriate judge will decree that the charges against the prisoners be dropped without restrictions because the penal restriction has expired. The judge must then immediately order their release.

D) If dealing with persons who have yet to be subjected to a trial, this decree will be used whenever a trial is started against them for the crimes included in the amnesty so an appropriate application may be filed to suspend the penal action and drop the charges. In case the persons are arrested, they will be immediately released by the authorities that captured them.

E) Persons who are not included in the previous articles and who—by their own initiative or for any other reasons—wish to request the benefit of this amnesty, will be able to appear before the appropriate judges, who will study their requests and issue an affidavit [words indistinct] so the requestor's rights as a citizen may not be violated.

F) The amnesty granted by this law eliminates civilian responsibility in any case.

Article 8. Without detriment to what is stated in the first, second, and third paragraphs of Article 7 in this amnesty law, persons subject to legal action wishing to accept the benefits of this law must submit a request in writing, or they must appear before a court judge, stating their wish to have the appropriate order issued dropping the charges against them. The judge will then order the charges dropped—once he has studied the case and provided that the ruling is favorable—and this will be done without restrictions and without the payment of bail. Amnesty requests may also be submitted to the following officials: justices of the peace, governors, mayors, and consuls accredited abroad—who will immediately send the document to the appropriate judge so he may order the implementation of the appropriate procedures. Officials who are included in this article and who fail to fulfill their mission will be fined with an amount ranging between 1,000 and 5,000 colons.

Article 9. This decree will become effective [? 1 February 1992].

Assembly Approves Law

PA2401061792 San Salvador Radio Cadena YSKL in Spanish 0454 GMT 24 Jan 92

[Text] The 64 deputies of the National Assembly have just unanimously approved the National Reconciliation Law at 0453 GMT on 24 January.

FMLN To Arrive 31 Jan

PA2401061892 San Salvador Radio Cadena YSKL in Spanish 0457 GMT 24 Jan 92

[Text] The politicians have accepted the challenge and have approved the National Reconciliation Law. This means the Farabundo Marti National Liberation Front [FMLN] General Command will arrive in the country on 31 January. The members of the command are Joaquin Villalobos Huez, Jorge Shafik Handal, and the rest of the members. A formal event, which will be held at the International Fair installations, is being prepared. President Alfredo Cristiani and an FMLN General Command representative will speak. Archbishop Arturo Rivera y Damas will then offer an ecumenical mass, which will also be offered simultaneously in churches all over the country.

Political Leaders Comment on Agreements

PA2301151092

[Editorial Report] San Salvador Radio Cadena YSU in Spanish at 0020 GMT on 21 January broadcasts live speeches delivered at San Salvador's Camino Real Hotel by Victor Valle, secretary general of the National Revolutionary Movement; Dr. Armando Calderon Sol, secretary general of the Nationalist Republican Alliance, Arena; and Fidel Chavez Mena, secretary general of the Christian Democratic Party, PDC; in the framework of the Analysis of the Peace Agreements Seminar sponsored by the Technologic and Scientific Research Center, CENITEC. The broadcast includes, also in the framework of the seminar, a recorded statement on video made in Mexico on an unspecified date by Farabundo Marti National Liberation Front, FMLN, Commander Joaquin Villalobos. The program lasts two hours.

Victor Valle opens the seminar. Valle draws prolonged applause and laughter from the audience when he states: "It is an honor for me to share with Commander Joaquin Villalobos this round of discussions on the peace agreements, even if it has to be in a video recording."

Valle notes that circumstances have forced the Salvadoran people to be distrustful. He notes that because of the secrecy in which the peace negotiations had to take place, the Salvadoran people did not exactly know what was happening. "Now it is time," Valle states, "for secrecy to end and openness to begin. The people have the right to be informed."

Valle tells his audience that "peace, the post-war period, affords politicians the opportunity to leave for future generations vital political parties, not votes, money-gathering, and propaganda machinery."

Valle reports: "It must be made known that by 31 October, the FMLN will stop being a political-military force and its militants will have become members of a political force—of either the FMLN or of the Front for Democratic Change—members of a party or of a movement, whatever you want to call it. They will also become part of a productive labor force or members of the National Civil Police, or members of more than one of the previously mentioned sectors."

Valle is followed by Calderon Sol, who affirms it is through political parties that El Salvador's incipient democracy will be strengthened. Calderon Sol notes the Salvadoran people believe increasingly in democracy. He notes that unquestioned, fair elections have been held in El Salvador. He adds: "The current government enjoys legitimacy because President Cristiani won the presidency honestly. This is unquestionable. Through this legitimacy the peace process was seriously initiated, a peace process that culminated in political agreements."

PDC secretary general Fidel Chavez Mena follows Calderon Sol. He asks: "Why was there a war?" He answers himself: "There is no doubt this war was the most harsh, cruel, and inhuman expression of a crisis, which as President Cristiani said in Chapultepec, was a result of unjust political, social, and economic structures."

Chavez Mena refers to the agreements, explaining: "These agreements do not represent a victory for anyone in particular, for either side. I was glad to hear Dr. Calderon Sol and Dr. Valle say this. I agree with them. There are no winners or losers. This is the starting point of the peace process we must initiate. Compliance with the agreements represents the opportunity to create a new country, a new El Salvador."

Chavez Mena urges everybody to seek greater international cooperation. He states: "Under current economic conditions, regardless of how pretty an economic program may be, solid international cooperation is needed. This is the right moment for promoting a united effort supporting this cooperation, to adequately channel it. This must be done quickly."

Chavez Mena reports that "the Legislative Assembly, with the agreements as its basis, will play an important role. It will have to legislate in several areas, such as the labor code; the military, legislation necessary to fully restructure the Armed Forces' functions; the police sector, because of the new concepts on the people's security; the economy; and in the electoral field."

Chavez Mena notes that the Armed Forces "can no longer be the supreme authority, the one charged not only with defending the country's sovereignty but also the Constitution and the implementation of the law. This is something that gave the Armed Forces an aberrant role. The Armed Forces have to be restructured, and the agreements are to be the basis of that restructuring."

FMLN Commander Joaquin Villalobos follows Chavez Mena. Villalobos addresses the people attending the seminar and begins explaining the origin of the situation in El Salvador. He states: "We had as a basis a monopoly of power. The government and the Armed Forces used to speak of totalitarianism as a position of ours, as an ideological position of the left, but the truth is that in El Salvador there was a monopoly of power in the economic field, in the land tenure, in finances, in commerce, in the electoral system, in the Judicial Branch, in the Armed Forces, in public security, and in the media. All this was presented as democracy, individual freedom, and free enterprise in the name of God and Western civilization, but this was not the case. This was the starting point. There was a dictatorial situation, a powerful monopoly."

Villalobos notes that "police reform is the basis of a democratic system." He says if the police force is monopolized by a sector of society, the democratic nature of society will be deformed. Villalobos says, "If this takes place and we return to a monopoly of power, we will be facing a situation that will make all the agreements crumble." He adds: "The agreements linking the Armed Forces to civilian power will face a resistance from the Armed Forces because of its roots. The international framework and the strength that the civilian sector will have should give the civilians the winning edge, but there will be a period of conflict and confrontation—not military confrontations, but intense political confrontations—to put an end to militarism."

Villalobos states: "When we look at this transformation package, we see that the main point is that there is a political revolution that will create great opportunities for economic transformation and a national debate."

Villalobos explains that one guarantee of compliance with the agreements is the international verification effort. Referring to a second guarantee, Villalobos notes that the nine-month cease-fire period is a military guarantee. "This is a military guarantee," he notes, and "it is obvious that the nine months are not a technical or operational must. The armed confrontation could end much sooner. It is a military guarantee to enforce compliance with the agreements. The third guarantee would be the most important one." This third guarantee, he says, has to do with "the schedule, with the passing of laws, with constitutional reforms, with the political participation of the FMLN, with compliance with economic agreements, with the reduction of the Army, and with the dissolution of the security corps."

Villalobos says "there are issues that will cause problems, and they must be overcome in a realistic way to prevent an undoing of what we have already achieved. For example, one point that could be a source of conflict is the land situation in the areas of conflict. If the government implements a contrived interpretation of the agreement to wage a campaign to recover land in this area to give it to landowners, we will be facing a confrontational situation. If the government wants to place conditions to make the townspeople, or the fighters, pay for this land—when the people are actually receiving an indemnity for having paid for this land with blood and many sacrifices—then we would again have a confrontational situation. This is a point that will require much patience and tolerance to avoid a conflict."

Villalobos explains that "the fact that Arena refused to alter one bit its economic model, something that was very necessary following a transition, could also create destabilization. Arena will have to pay the price for this economic decision during the elections."

Villalobos says if the monopoly of communication continues after the agreements are implemented, "this will create discord because, as President Cristiani said in his speech, the closing of political spaces created the conflict."

Another issue that may produce conflicts, Villalobos said, is the military resistance to adjust to the role that the Armed Forces should play in society. "The government," Villalobos states, "has resisted making a substantial reduction in the officers corp. The government has proposed not a reduction of the officers corp, which is the soul of militarism in the country, but an increase." Using formal arguments, Villalobos reports, the Army claims it actually needs 300 more officers than it has right now. This means the Army would have not 2,000, but 2,300 Army officers.

Villalobos says another contentious issue is amnesty. He states: If the government "insists on issuing a general pardon, it will create a situation of insecurity. On the evening of 31 December, the security corps were placing bombs in the vehicles of foreign correspondents and were killing people. If there is a pardon with national support, we would be issuing a blank check for killings and other crimes at a moment when we are entering a period of transition. This is not the right policy. First there must be freedom and justice and, as the country changes, there must be a pardon."

Villalobos concludes by stating: "We are going to take the banner of the country's democratization. We and the other opposition forces are working on a general election system to bring democracy to the country." He says in El Salvador the right is mostly backward. This means, he explains, that the center forces must be broadly united to promote all the changes.

Rebel Commander Outlines Prospects for Guerrillas

PA2301220892 Panama City ACAN in Spanish 1234 GMT 23 Jan 92

[Report by Emilio Crespo]

[Text] San Jose Las Flores (El Salvador), 23 Jan (ACAN-EFE)—According to one of the insurgent military chiefs, the Salvadoran guerrillas' weapons are the main guarantee that the peace accords with the government will be complied with and will be without any difficulties.

"Commander" Milton Mendez, who has been a guerrilla for 18 years and is currently in charge of the guerrilla "Central and Southern Metropolitan Front," has told ACAN-EFE that his men will take nine months to demobilize. He added that meanwhile, his men will retain their weapons.

"We have the military option ready in case of problems," Mendez stated. He considered the military capacity of his troops to be the best defense against the possibility that ultraright-wing death squads may cause problems.

However, the guerrilla leader voiced his confidence that the parties will comply with the peace accords signed on 16 January in Mexico by the government and the Farabundo Marti National Liberation Front (FMLN).

Mendez made the aforementioned statements in San Jose Las Flores, one of the most important bastions of the Salvadoran guerrillas, 120 km north of the capital, which has been considered "liberated territory" since 1987.

"Commander" Mendez, a 40-year-old man who has grown a belly despite the armed struggle, stated that the FMLN leaders, including himself, will emerge to become "political cadres in open and legal activities." This, he added, is "another fact."

Mendez claimed that he is "not afraid" of the "death squads" or possible actions by the extreme right against the accords, because peace has "great popular support."

"Commander" Facundo Guardado, a member of the Political Military Commission of the FMLN and chief of the guerrillas' Northern Front, agreed with Mendez. Guardado arrived on 22 January in San Jose Las Flores, after attending the signing of the accords in Mexico.

"Commander" Guardado, who is almost a legend among his men, arrived in San Jose Las Flores in a Onusal [UN Observers for El Salvador] helicopter. Onusal will reportedly deploy 1,000 observers throughout the country to oversee compliance with the accords.

The aircraft, which was expected a few hours earlier, landed in the town's soccer field, a few meters from the crosses that mark the tombs of dead combatants.

Hundreds of guerrillas, peasants, journalists, and onlookers watched as the commander, who was greeted with cheers for the FMLN, came down from the skies.

Guardado delivered a speech to the militants, right after the cloud of dust lifted by the aircraft had settled.

Guardado, whose real name is Esteban Cabrales, considered the peace accords to be "the greatest victory since the independence" of El Salvador, and he stressed that the accords would bring "great change" to the country.

"We are going to build a new society with liberty, democracy, and social justice," the guerrilla leader stated. He described the Army's compliance with the accords as a "great responsibility."

Meanwhile, Mendez, who did not go to Mexico but remained in El Salvador, told ACAN-EFE that no violations of the cease-fire, which in fact prevails in the region, have occurred.

The peace accords, which determine the separation and concentration of guerrilla forces for their ensuing demobilization and the reduction of the Army by 50 percent, established that the formal cease-fire will go into effect on 1 February.

The guerrilla "commander" said that the rebels are already preparing for the post-war period, adding that, for instance, in the camps in Guazapa Hill, a contingent is getting ready to join the National Police that will be created as a result of the Mexico accords.

Mendez explained: "We have very qualified personnel who will also join politics and production."

Mendez stated that "there are absolutely no problems" with the informal cease-fire and, "since 16 January, everything has remained quiet."

"That attitude of composure is evident among the Armed Forces troops, who look as relaxed as we do; our combatants remain calm, though alert," he added.

"The activities in San Jose Las Flores are a sign of this. We are optimistic. Obviously we take our defensive measures, but we remain calm," Mendez continued.

Lorenzo Lafuente, a Spanish Captain with the Onusal forces, confirmed the words of the guerrilla leader. He told ACAN-EFE that "both parties are willing to act in good faith and the truce has not been broken."

Sol Bang: No Mistreatment During Captivity

PA2401044592 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Jan 92

[Passages within quotation marks recorded]

[Text] Guillermo Sol Bang, a businessman and ranking member of the ARENA [Nationalist Republican Alliance], says that his health is good. He also said that he was not mistreated during his captivity. He added that he does not know where he stayed, who kidnapped him, or how he was released.

After 189 days in captivity, businessman Guillermo Sol Bang has been released. He is also a founding member of ARENA. Sol Bang said that he does not know why he was kidnapped.

[Unidentified reporter] "Did they explain why you, precisely, were kidnapped?"

[Sol Bang] "No. They did not tell me."

[Reporter] "What did they tell your family, Mr. Guillermo?"

[Sol Bang] "They contacted my family, but I never received any [word indistinct] or any information about what was happening with my family."

[Reporter] "What happened with your family? What type of ransom did they request from them?"

[Sol Bang] "It is my understanding that the family paid a monetary ransom. This was the final agreement."

The family did not offer any details concerning the amount of the ransom. They said only that their silence is part of the agreement. Engineer Sol Bang said he was not mistreated during his captivity. Although he has lost weight, his health is apparently good.

[Reporter] "Were you mistreated in any way?"

[Sol Bang] "On the contrary. I believe that the individuals who dealt with me were quite professional, so to speak, despite the activity they are devoted to. They did not hurt me. I did not meet anyone; the few who dealt with me did so with their faces covered."

"Several persons seized me, four of them. At their facilities, however, only two of them dealt with me on the first day, and after that only one. He would pass my food to me under the door."

[Reporter] "What type of room were you in? Was it a cell? A basement? Do you remember the place?"

[Sol Bang] "It was a very small room where I had a mattress and a chair. That is all. It was very small. [words indistinct]."

Sol Bang, 61, was kidnapped on 18 July 1991 and released on 21 January 1992.

[Sol Bang] "[Words indistinct] this should happen again. I believe that the [word indistinct] and I hope that this phase of peace that is beginning will [words indistinct] peace because I have spent 189 days without seeing a newspaper or daylight."

"I can tell you that the most pleasant surprise I received is that peace has been achieved. I hope this will mean that things that happened in the past will not be repeated."

[Reporter] "There have been contradictory reports concerning this case. There was speculation of a political kidnapping; nevertheless, the victim did not establish the reasons why he was kidnapped."

Nicaragua

Article Views Impact of Secretary Baker's Visit

PA2301193492 Managua LA PRENSA in Spanish 21 Jan 92 p 10

[Article by Emilio Alvarez Montalvan: "Mr. Baker's Message"]

[Text] One of the most salient features of our native culture is the great expectations that emerge when influential foreign politicians visit the country. In these cases, we feel it is a very special distinction conferred upon us or that huge opportunities are awaiting us with the arrival of the distinguished visitor.

I say this because there is still the most diverse and fanciful widespread speculation regarding the brief visit to Nicaragua by U.S. Secretary of State James Baker.

The truth is that this very special guest made no exclusive announcements whatsoever. This powerful official has been repeating his country's position wherever he goes, and he is always asked for help. His remarks are the result of the new worldwide scenario in which the United States has evolved following the Persian Gulf victory and the spectacular fall of the former Soviet Union. The U.S. Government is now unilaterally establishing the guidelines that are to be followed by the countries that demand its assistance. The time for granting permanent and automatic subsidies to underdeveloped nations—regardless of their governments' conduct as long as they cooperated with the anticommunist struggle—is in the past.

The Soviets behaved the same way toward their clients during the Cold War. It is the only way to explain the Americans' behavior toward the Somoza dynasty and the Soviets' toward the Sandinists, whom they supported for such a long time despite the deficiencies and abuses their godchildren committed.

Nevertheless, when the two worldwide powers decided to make up, they offered their proteges an honorable way out before abandoning them. The Sandinists were more inured to this because they got the message and held free elections at the risk of losing them, which is, in fact, what happened. Somoza Debayle, on the other hand, rejected each of the three or four means of escape extended to him by his old godfathers, or which life itself offered him (the conclusion of his first term, the heart attack, the Bowdler mission, and Pezzullo's last minute mediation).

This time Mr. Baker was acting in a different setting. He no longer needs to exert pressure, intervene, pander, or resolve things, simply because he no longer needs this. He limits himself to reading a text he has already read to the Hindus, Russians, Czechoslovaks, Hungarians, Angolans, Croats, Poles, and others. That text is the following: If you want our money, which is scarce, your government must adopt our values or, in other words, respect human rights, maintain democracy, and guarantee order.

From this perspective the State Department is no longer interested in knowing the names of the individuals who truly hold positions of leadership in Nicaragua.

In April 1990 Mr. Aronson was still insinuating to the highest levels of the new government how imprudent it would be to keep Humberto Ortega on as chief of the Army. This time, that recommendation was not made because the international situation is different. The communist empire fell apart six months ago, the Cuban regime's agony has begun, and peace has just been ratified in El Salvador. With this new situation, traditional Sandinism, the belligerent challenger of the region, a discarded part of communism in Central America, is no longer a worry to the Pentagon pragmatists. In the meantime, Humberto had taken a step forward by placing a gold medal on the chest of a U.S. Marine, thus demonstrating that the "struggle against the Yankee, enemy of humankind," which the FSLN endorsed, has already been forgotten.

Therefore, in his news conference, Mr. Baker used a reasoning obscured by diplomatic language to keep from hurting the "Latin pride." He warned: "If there is no order in this country, there will be no investment; if there is no investment, there will be no production." He added in a prophetic manner: "The order rests on respect for property and the application of laws through a professional police force that is loyal to the government and not involved in party politics."

"Well," Mr. Baker concluded, "if the Nicaraguan Government decides to request assistance to professionalize the police, we are ready to cooperate alone or along with other friendly governments."

Are these not changes to the property issue, the state of law, and the police what Nicaraguans have been demanding from the administration of Chamorro without being heard? Has not a year gone by after the signing of an accord with Spain to provide technical assistance to the police force, without specific results being reported? It was necessary for U.S. Secretary of State James Baker, a powerful member of the Bush Cabinet and holder of the purse strings, to come to Nicaragua so the Nicaraguan Government spokesman would rush to announce that the police will be restructured with North American assistance. It was about time. Mr. Baker came here to run a routine errand and nothing more, because he had the impression that top government officials in Nicaragua still did not know the status of current relations between the United States and the Third World.

Humberto Ortega Replies to FSLN's Criticism

PA2301203492 Managua LA PRENSA in Spanish 21 Jan 92 pp 1,12

[Report by Roger Suarez M.]

[Text] General Humberto Ortega made the following statement during a news conference at the Sacuanjoche Hotel on 20 January: "Extremists and fanatics see the United States as a permanent enemy, and they do not see that times change."

After bidding farewell to Canadian Defense Minister Mary Collins, Ortega took the opportunity to defend himself against attacks from radicals who have targeted him since it became known that the Sandinist People's Army [EPS] granted the Camilo Ortega Saavedra medal to U.S. Lieutenant Colonel Dennis Quinn.

Speaking with much assurance, Ortega stated that the extreme and ultraright-wing sectors that have been criticizing the fact that a U.S. citizen was awarded the medal expect "us to continue to open old wounds and never overcome this situation."

Ortega noted that the command of El Salvador's Farabundo Marti National Liberation Front has recognized the contribution that the United States has made so peace could at last be attained in that country, thus leaving behind the conflict that ended the lives of thousands of people.

He explained that, as a result of the new political situation, the leaders of Latin America and Nicaragua are in the midst of looking for a new relationship with the United States, "an important country that we cannot ignore."

Journalists, particularly those linked to the Sandinist National Liberation Front [FSLN], seemed to be surprised by Gen. Ortega's news conference and his desire to be questioned on his new position. Ortega assumed an independent position from the FSLN Board of Directors, from which he requested leave to continue in the EPS.

"I am not facing a crisis with the National Directorate. It is simply that Commander Luis Carrion made a criticism to which I am replying. Although my reply was not directed at the National Directorate, it is possible that our positions could clash, which is not bad," he said.

"If Luis Carrion feels that it was a political error (granting the medal), I believe that his political error is even worse, because he has not acted like a leader should in difficult times," Ortega stressed.

He added that it is easy for many leaders to take advantage of the country's difficult economic situation to take up the leadership of protest movements.

He said that in Nicaragua it would be easy to overthrow the government of President Chamorro without firing a single shot and put the extremist ultraleft-wing groups who are currently in the opposition in power. "However, that would not resolve the situation that La Primerisima (radio station) contends exists. On the contrary, I would say that it would bring more poverty," Ortega added.

When LA PRENSA asked Ortega if there are divisions in the Army due to political differences among the Sandinists, he said that he does not believe that there is a boycott against the Army. "However, if so, those behind it would find themselves in front of a wall."

FSLN Member Comments

PA2401015592 Managua EL NUEVO DIARIO in Spanish 22 Jan 92 p 4

[Commentary by Lautaro Sandino Montes: "A Sandinist National Liberation Front Militant: Comments on General Ortega's Letter"]

[Text] I have read over and over the arguments presented by General Humberto Ortega on the reasons that prompted him to give the Camilo Ortega Medal to U.S. Embassy Military Attache Dennis Quinn. Wishing to continue the debate of ideas, I would like to make some comments.

I say this because I believe each one of us must be responsible for our actions and words. The most important thing is that in this new situation, and with the Sandinist National Liberation Front [FSLN] in the opposition, the possibility has opened up for carrying on the struggle and debate of ideas in an open manner, without fear of being dismissed because of what one thinks. In this respect, I think the First Congress of the FSLN took a major step toward consolidating democracy within the FSLN and society in general.

The arguments I have used to express my disagreement with the decoration of the U.S. soldier are not openly or covertly aimed at "continuing the fanatical and risky confrontation between Nicaragua and the United States," as Gen. Ortega stated, but instead convey, as other comrades have also pointed out, the surprise that a symbol of the anti-imperialist struggle, such as the Camilo Ortega Medal, was given to a representative of a government that waged war on us. Was that perhaps the only way to "recognize" his merits, considering that Nicaraguans are experiencing a very complex moment in our polarized conflict and that this complex conflict caused dramatic tension between the FSLN and the U.S. Government on some occasions?

I think that Baker's visit to Nicaragua has made it clear that the United States does not have a true intention, at least in Nicaragua, of recognizing that Sandinism is real and that institutions like the Army and police are part of our political reality. Has the United States accepted our National Police as it is? I ask: Who is seeking a confrontation? Are they? Are we? Who wants to dictate how Nicaraguans must build our society? Are those the constructive steps the U.S. Government is taking?

We do indeed need a new relationship with the United States, which must be based on genuine mutual respect, without impositions or meddling, which is what the FSLN government sought during its mandate. I see no reason to change that.

I do not understand what Gen. Ortega meant when he stated that "some Sandinist militants or mid-level cadres need solid and level-headed leaders to explain developments and provide guidance," as a political debate without excluding anybody and with tolerance constitutes the only way for Sandinism to recover the lost consensus and to develop and consolidate the civilian society we all talk so much about.

I would like to state again that the Sandinist People's Army, or Gen. Ortega, have the right to grant the medals they consider pertinent to the military officers who have earned them according to the parameters established by the institution. As a Nicaraguan citizen, however, I also have the right to state my disagreement with the actions of the Nicaraguan Government, which I consider incorrect. After all, history will show us who is right.

Recontras, Recompas Cause Conflicts in Country

PA2301184092 Managua Radio Catolica in Spanish 1100 GMT 23 Jan 92

[Text] We are receiving news about the conflict in the western part of the country in the wake of the occupation of several properties by the recompas in (Apacentro). Police intervention has been requested, but the recompas are threatening to cause a bloodbath should the police try to evict them.

We are also receiving reports on the conflict in northern Nicaragua, especially in Matiaguas, where it is said that several recontra groups have been setting vehicles on fire, and in Rancho Grande, where the recontras and recompas have also clashed and blocked vehicular traffic.

Meanwhile, recontra Commander Rojito, who stripped a Sandinist People's Army contigent of its weapons, said that he disapproves of ongoing negotiations between the recontras and the government. The ambush against Tigrillo and the death of Freddy [Feonel Benavides Castillo] forces us to continue our struggle, Rojito said.

Report on Recompas, Recontras Activities

PA2401021692

[Editorial Report] The following is a compilation of reports monitored by Panama Bureau on activities carried out by recontras and recompas in Nicaragua from 31 December to 23 January 1992.

Managua Radio Nicaragua Network in Spanish at 1715 GMT on 8 January reports that one Sandinist People's Army, EPS, officer and three civilians were injured during an ambush staged by the recontras. The report adds that the recontras ambushed a vehicle carrying the four men in La Trinidad, Esteli Department.

Paris AFP in Spanish at 2346 GMT on 14 January reports that a group of recontras dissenting from the group headed by El Indomable, Jose Angel Moran Flores—who is negotiating with the government—clashed with EPS troops on 14 January in San Gabriel, Jinotega Department. The report states that one member of the recontra group was injured.

Managua BARRICADA in Spanish on 21 January on pages 1 and 8 carries a report stating that at least eight recontras were killed and 10 others were injured during clashes that took place in Las Cruces and Las Colinas, Matagalpa Department.

Panama

Court Authorizes Interrogation of Former Officers

PA2401040692 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 92

[Text] The Supreme Court of Justice has authorized Noriega's defense attorneys to interrogate former officers being held in Panamanian jails. Those interrogations could start on 24 January.

[Begin Foreign Minister Julio Linares recording] After a more in-depth study of the request made by the court trying Manuel Antonio Noriega, which was presented through the U.S. Embassy, we decided it should be granted, but through the Supreme Court of Justice and not the Attorney General's Office.

Therefore, we sent the request to the president of the Supreme Court of Justice, and he has already agreed to fulfill it. [end recording]

The officers who will be interrogated by Noriega's defense lawyers Leon Toso and Joaquin Fernandez are Cleto Hernandez, Lucinio Miranda, and Nivaldo Madrinan, who are being held at the Modelo and Renacer jails.

[Begin Supreme Court President Carlos Lucas Lopez recording] The court considered the fact that this case involved a request presented by a Panamanian citizen being tried abroad and decided that it was convenient and necessary to respect former General Noriega's right to a fair trial. That right could have been violated if we did not allow those investigations to be carried out in our country. Besides, it is not uncommon for foreign attorneys to conduct interrogations here in Panama. [end recording]

The court has instructed Magistrate Joaquin Ortega to accompany Noriega's lawyers, who are in Panama to conduct the interrogations.

In accordance with the request, the investigations may start today or tomorrow.

Endara Discusses Public Force, Other Matters

PA2401050192 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 92

[Passages within quotation marks are are recorded]

[Text] Panamanian President Guillermo Endara Galimany announced on 23 January that Nicaraguan President Violeta Chamorro will visit the Republic of Panama during the first week of February. President Chamorro will conduct a friendly visit.

This was one of the announcements made during the weekly news conference President Endara holds on Thursdays.

President Endara also announced that a cooperation treaty with Honduras has been signed. The Honduran state-owned electric enterprise will sell electricity to Panama's Institute of Hydraulic Resources and Electrification.

On another subject, President Endara said he trusts the Public Force, but did not rule out the possible existence of dissidents.

[Endara, in progress] "....any institution can have harmful individuals or traitors inside."

The president preferred not to talk about the terrorist acts, but still said that the Palace of the Herons is not so safe. He also suggested that the machine gun at the Presidency be changed.

[Endara] "I simply thought that the first one that was installed was too big—unnecessarily big—and that a normal machine gun was enough to protect the Presidency."

On another topic, President Endara said he will not discharge Minister Marco. Alarcon despite pressure from the teachers' associatio n.

Regarding the problem between advertisement agencies and the health minister, Endara said that the matter is in the hands of the courts.

He said the Mexican Government accepted Ezequiel Rodriguez and the new Panamanian ambassador to Mexico.

Regarding the economy, the president said the government will continue with the plan that has been established.

[Endara] "We will not suspend the economic plan. That is the economic plan of Panama, and it was made by Panamanians. As a matter of fact, it was made when the Democratic Christians were part of the government. They were part of the government, and we must recognize their work and give them credit for their participation. We are not going to suspend that plan."

President Endara finished by saying that the economic plan is subject to changes and adjustments.

Ex-Military's Involvement in Attacks Confirmed

PA2301184592 Panama City EL PANAMA AMERICA in Spanish 23 Jan 92

[Text] During police investigations into the acts of terrorism that have recently shaken Panama, the names of former Major Carlos Saldana, former Captain Jorge Eliecer Bernal (allegedly exiled in Guatemala), former Lieutenant Ricaurte Rodriguez, and Gonzalo Gonzalez, the former commander of the "Macho de Monte," have surfaced. Gonzalez disappeared while in exile in Peru.

Attorney General Rogelio Cruz has confirmed that arrest warrants for Saldana and Rodriguez have been issued. It is "thought" that they are involved in the attacks and that this "could be" the case with Bernal and Gonzalez, also.

The Interpol division at the Judicial Technical Police (PTJ) has confirmed that a judicial request for the arrest of Former Maj. Gonzalo Gonzalez has been sent to Interpol offices in Costa Rica, Argentina, and Peru.

Although Cruz confirmed that the perpetrators of the attacks were "definitely" soldiers, PTJ Director Jaime Abad said that they are investigating civilians and persons with military training as well.

The son of the president of an opposition party is among the civilians under investigation by the PTJ. He is allegedly responsible for the 1991 attack against the Arnulfist Party headquarters. A former treasury minister is also under investigation.

The information that has been gathered by the authorities indicates that the plans against the government included everything from placing car bombs near the "supermarket" (a code name used for the presidency) to a commando assault against the presidential palace to capture the "three musketeers": President Guillermo Endara and Vice Presidents Arias Calderon and Guillermo Ford.

The investigators believe that the main objective of those responsible for the attacks is to create terror among the top executive leadership to secure their resignation and possibly form a government junta.

This is the same pattern followed during the October and December 1990 movements, which leads investigators to believe that several of the participants in those actions are related to the present episodes.

At that time it was learned that politicians from the ousted regime and members of the present government had made economic contributions and were mentioned as possible members of the government junta.

Meanwhile, Attorney General Rogelio Cruz expressed his concern about the promoters of this violence against the government trying to take advantage of the Don Bosco procession, set for the end of January, to perpetrate another destabilizing act.

Cruz also said that he did not know if President Guillermo Endara has ordered the removal of a 50-mm machine gun that is installed aboard the presidency helicopter or the M-16 rifles used by the Institutional Protection Service to guard the Presidential Palace to be placed in storage.

More Arrests Planned

PA2301214692 Panama City CRITICA LIBRE in Spanish 23 Jan 92 p 30

[Report Florencio Galvez F.]

[Text] Investigative authorities did not rule out the possibility of arresting more soldiers and civilians presumably involved in terrorist activities over the past few weeks in the capital. Judicial Technical Police [PTJ] Director Jaime Abad described these attacks as criminal.

Abad said several people are under preventive arrest, and the investigation to determine the culprits will continue.

After denying that excessive secrecy surrounds the investigations, Abad added: The conspirators are criminals; call them what you wish, common or political criminals.

He played down local reports that a criminal attack on President Guillermo Endara and Vice Presidents Ricardo Arias Calderon and Guillermo Ford was planned for 31 January during the traditional Don Bosco procession.

Abad refused to say whether U.S. elements are involved in the alleged destabilization acts, but did say that the he would not go out on a limb for all of the PTJ personnel. He thus responded to reports linking members of this investigative agency to conspiracies.

Meanwhile, Attorney General Rogelio Cruz ruled out reports that a coup d'etat was being plotted and that the Don Bosco procession would be used for terrorist purposes.

The attorney general said that arrest warrants were issued against soldiers Carlos Saldana, alias Superman, and Alcibiades Teson, who are suspected of being involved in the most recent terrorist attacks.

Cruz said it is not very logical to believe that followers of General Noriega, who are housed in several local jails, are involved in the attacks, but added that former military personnel are definitely among the suspects.

After promising that investigations will continue to determine whether Chalo Gonzalez and Asuncion Gaitan are among the conspirators, the attorney general denied that he spoke over the telephone with two terrorist soldiers, as certain political sources have claimed.

He refused to say whether the 20 December Movement is involved, but said that there are people who are swayed by that kind of reasoning.

Official's Son Implicated

PA2301212392 Panama City EL SIGLO in Spanish 23 Jan 92 p 12

[Article by Aneldo Arosemena]

[Text] The son of Gerardo Gonzalez, secretary general of the opposition Democratic Revolutionary Party, who was involved in the attack against the Arnulfist Party headquarters in May 1991, is also involved in the wave of terrorist actions and bomb threats that have recently taken place in Panama City. The information was provided to EL SIGLO by a source in the Attorney General's Office.

Gerardo Gonzalez, Jr. has been summoned by Doris Vargas de Cigarruista, the 6th Circuit Court judge, on charges in a grenade attack against the Arnulfist Party headquarters on 15 May 1991. He is also linked to the violent actions that have taken place in Panama City, and therefore the Judicial Technical Police [PTJ] has been instructed to arrest him.

EL SIGLO also learned from an official source linked to the investigation into the attacks that the Council for Public Security and National Defense [Conasepuden] is tapping the telephones of persons close to the former soldiers imprisoned at El Renacer. The source also said that the Conasepuden technicians directed by Menalco Solis could very well be intercepting telephone calls made by some suspects who work at the PTJ or the National Police.

In this regard, EL SIGLO asked PTJ Director Jaime Abad about the reliability of the PTJ men, to which he briefly replied: "I would not go out on a limb for all the staff, but we have taken measures to make the institution very professional, and the morale of the group is very high."

On the issue of intercepting telephone calls, Abad said that the PTJ does not have the equipment to do this, and besides, such activity violates the Constitution.

Meanwhile, police intelligence sources have told EL SIGLO that the terrorists might have about 50 RPG-18's that were made in East Germany, each worth about $18,000. These weapons and other war materiel not recovered by the United States immediately after the 20 December 1989 invasion could add up to $1.5 million worth of equipment that the government cannot control, a percentage of which could very well be in the hands of the terrorists.

One theory that is gaining strength is that active members of the Public Force are reportedly behind the terrorist actions in that when National Police Chief Oswaldo Fernandez met with the owners and editors of the media, he reportedly said that one-third of the police force supports the government, another third is against the government, while the remaining third has not yet defined its stand.

Concerning the RPG-18 fired at the Panama Flour Mill Company—in which President Guillermo Endara is a shareholder—and against the Ministry of Planning and Economic Policy, it is an antitank weapon that operates under the "Monroy" principle, a concentration of gases. It is capable of going through 30 millimeters of armor plating, and the backfire can reach as far back as 10 meters, burning everything.

PDC Demands Suspension of Ford's Economic Plan

PA2301200092 Panama City LA PRENSA in Spanish 23 Jan 92 p 32A

[Report by Manuel Alvarez Cedeno]

[Text] The Christian Democratic Party (PDC), the country's largest political party, issued a communique on 22 January demanding the "immediate suspension of the economic plan sponsored by Guillermo Ford, planning and economic policy minister, which is destroying agricultural production."

In a news conference held at PDC headquarters, attended by PDC President Ricardo Arias Calderon, PDC Vice President Ivan Romero, and Legislator Erick Santamaria, the declaration of the party's Political Committee was made public. It stated that the Ford Plan is destroying national agricultural production to benefit the import of products that are largely subsidized.

"Given the lack of government assistance, the drought has worsened the crisis in the agricultural sector, forcing thousands of medium- and small-scale producers to face a future of poverty and unemployment, which has been worsened by the ill-timed administrative measures," the communique stated.

According to statistics, 37 percent of the working population, that is, approximately 250,000 people, work in the agricultural sector.

The PDC claimed that in August of 1990 it warned that the so-called government economic strategy proposed by Ford did not establish the conditions and proper timeframe for national production to successfully cope with a greater opening of our economy.

The plan does not protect national agricultural production in the face of the possibility of disloyal foreign competition, nor does it improve the price of supplies and the high cost of financing, the PDC communique added.

The PDC blamed Ford and the executive branch for the collapse of agricultural production, which has already begun. It demanded that the actions of the Ford Plan be suspended until adequate roads, financing, and technical assistance exist. The document reaffirmed that the legislators of the "green star" will work against the plan.

Ford Comments on Payment of International Debt

PA2401051492 Panama City Circuito RPC Television in Spanish 2300 GMT 23 Jan 92

[Text] Guillermo Ford, planning and economic policy minister, has said that the government will pay all of the overdue debts it has with the Paris Club and international financial institutions at the end of the month.

Panama's debts with those two credit organizations equal $580 million.

[Begin recording] [Ford] Last night we received the call to formalize the agreement. We reached a final understanding in that agreement, and all that is left to do is sign the legal documents to support the transactions and make the payment. We will make the payment on 31 January at the latest.

We will pay the total of the overdue debts to the international finance institutions and the Paris Club.

I will also take advantage of this opportunity to let the community know that this debt was caused by the previous regime, but the national government must face it. This is unfortunate, but these overdue payments must be brought up to date.

[Unidentified reporter] Mr. Minister, what is the amount of the debt with these two organizations?

[Ford] The overdue payments to the international finance institutions we inherited from the previous regime amounted to $540 million up to 31 December 1989, and we refinanced approximately $42 million with the Paris Club.

In due time, we will provide the Panamanian people with the details of the sources we used for the payment of these debts, along with the details of what is being paid, to whom it is being paid, and the benefit it represents for the country. [end recording]

Correction to Cruz Favors Dialogue

WA2401154992

The following correction pertains to the item headlined "Cruz Favors Dialogue With Bomb Attack Suspects," published in the 23 January Latin American DAILY REPORT, page 22:

Column two, fifth full paragraph, first sentence, make read: ...out that the former military officers do not have a...(rewording)

Argentina

UK Minister of State Arrives for Official Visit

PY2301212292 Buenos Aires TELAM in Spanish 2027 GMT 23 Jan 92

[Excerpt] Buenos Aires, 23 Jan (TELAM)—British Minister of State for Foreign Affairs Tristan Garel-Jones arrived at Jorge Newbery Metropolitan Airport from Montevideo at 1814, thus beginning an official visit to this country that will end 25 January.

Garel-Jones, who arrived on a regular Aerolineas Argentinas flight, will meet with President Carlos Menem at Olivos residence at 1900. [passage omitted]

'Gutter Press' Blamed for Resignation Rumors

PY2401234792 Buenos Aires TELAM in Spanish 1131 GMT 23 Jan 92

[Text] Buenos Aires, 23 Jan (TELAM)—Interior Minister Jose Luis Manzano has said that "we have never even thought about" resigning. This was Manzano's answer to a question about rumors of his and Presidential Secretary General Eduardo Bauza's resignation. Manzano said that the idea "is just a product of the gutter press."

The interior minister talked with reporters last night after signing the first agreement on debt compensations, service transfers, and the reorganization of the accounts between the federal government and a province, in this case, Rio Negro Province. The ceremony took place at Government House and was presided over by President Carlos Menem.

Manzano denied that the rumors merely stemmed from the investigation into the so-called "gang of police commissioners." He added that he did not believe that police officers "were that interested in politics." He added that the rumors "must have come from interested politicians."

Regarding the gang members, Manzano said that they were "criminals who are trying to evade the law." He added that his ministry is following the investigation into the death of Camilo Ahmed and the attack on Pablo Maciel "with great interest."

Regarding the attack on Maciel's home, Manzano said that "regrettably Maciel's address was not provided and police protection was not requested, because the attack could have been prevented."

Manzano said that the Justice Department "is doing an excellent job." Answering another question he said that "there are contradictions in the behavior of those involved and of some witnesses, and there are confusing details. The case will have to be exhaustively investigated."

Peronists Pledge 'Strong' Support for Menem

PY2301234892 Buenos Aires BUENOS AIRES HERALD in English 23 Jan 92 p 11

[Text] (DYN-NA)—The Justicialist Party National Council released a communique yesterday after a meeting considered by political observers as crucial towards improving relations between the Peronist leaders and President Carlos Menem's government.

Menem, who heads the party council, did not show up at the talks. His request for a leave of absence—approved—was the first point at the national council's agenda. The President sent a brief letter to the body explaining that he could not take charge of the council and be president at the same time.

In the presence of Buenos Aires Governor Eduardo Duhalde, vice-president of the council, and presided by union leader Roberto Garcia, the council released a six-page communique pledging strong support for the Menem administration currently under fire over a series of corruption charges.

The communique reads: In the past "to neutralize a government the system was destroyed through military coups. Today, the ploy is to use slanders and defamation to create a conflict-ridden climate that has no bearing on what the majority of society feels" about the Menem administration.

"When the government's credibility is at its worst, it is harder to defend the interests of the country and people, at an international level and before sectors of the Argentine 'establishment'," the communique concludes.

The Justicialist Party's National Council document backing Menem was released after a meeting in which seven of the eight national cabinet ministers reported on the situation of their respective areas.

Sources said that Menem met top-line council representatives including Interior Minister Jose Luis Manzano and Buenos Aires City Mayor Carlos Grosso before the Peronist summit.

Roundup of Economic Reports 16-22 Jan

PY2301150492

[Editorial Report] Following are reports on economic activities in Argentina monitored by Paraguay Bureau from 16 to 22 January. Source, date, and time are given in parentheses after each item.

The Central Bank reported that National Treasury reserves increased by $393 million in November 1991. The Central Bank also reported that the main payments made last year included $33 million to the IMF, $72 million to international organizations, and regular payments to creditor banks. (Buenos Aires Radio Nacional Network in Spanish 1500 GMT 16 Jan 92)

Oil production in Argentina was 28.5 million cubic meters during 1991, YPF (Government Oil Deposits) announced in a press communique on 17 January. The figure represents a 1.5 percent increase compared with 1990. In December 1991, average daily output was a record 82,775 cubic meters, YPF said. (Buenos Aires BUENOS AIRES HERALD in English 18 Jan 92 p 5)

According to DYN, the Research and Development Foundation reported yesterday that the minimum monthly subsistence wage for an average family is 737.89 pesos. Meanwhile, the IPES (Institute for Economic and Social Policy) set the minimum January wage at 550.65 pesos for minimum prices and 625.45 for medium prices. (Buenos Aires BUENOS AIRES HERALD in English 21 Jan 92 p 6)

Between $500 million and $800 million kept abroad by investors were repatriated to Argentina during the second half of 1991 and rechanneled into the domestic capital market, National Securities Commission President Martin Redrado said yesterday, according to DYN. (Buenos Aires BUENOS AIRES HERALD in English 22 Jan 92 p 6)

* Limits of Construction Industry Rebound Viewed

92SM0204A Buenos Aires CLARIN in Spanish 29 Dec 91 p 18

[Article by Luis Ceriotto: "A Short-Range Locomotive"]

[Text] The convertibility plan breathed new life into the construction industry, which in a matter of months doubled the number of its employees and seems to have regained its traditional role as a locomotive pulling along several other sectors. However, as a generator of jobs, it has not even surpassed a third of its peak figure and activity is practically limited to building very expensive housing only in the capital and a few surrounding areas. Businessmen, who no longer have profitable government contracts, hope credits will increase and that medium-income groups and investors can gain access to housing. The National Mortgage Bank hopes to act as a wholesaler (distributing funds to private banks responsible for direct dealings with users).

Shortly after the convertibility plan was launched, the construction industry began to revive and turned into the driving force of other sectors, the new "star" of a presumably upward curve of the "productive revolution."

And yet, based on what we have seen so far, the revival of the brick industry has its limitations:

It is practically limited to luxury housing (for cheaper units there are practically no loans).

It does not extend beyond the Federal Capital and the wealthier residential areas of Greater Buenos Aires. The interior continues to look on from the bench and does not yet know whether it has any place in the game.

A recovery is indeed taking place and has interrupted an extended decline. By the end of last year, investments had fallen 70 percent compared with the decade from 1971 to 1980, the golden age of 350,000 employed bricklayers. From the rock bottom of 60,000 or 65,000 to which it had plummeted a few months ago, it has already climbed to 120,000. This year, the amount of cement shipped to the domestic market—a good measure of activity—is up 30 percent over 1990.

The two main reasons for this rebirth are: 1) idle money from the financial bicycle; and 2) a doubling of prices for homes and apartments, while the cost of construction (since May) has risen less than 5 percent. For the first time in a long time, real investment could compete with financial investment.

In sum, the construction locomotive is now on the move, pulling along the sectors that supply it: iron and steel (particularly iron for reinforced concrete); cement (the gross investment of this "mother industry" has already risen 10 percent); lumber (carpentry, furniture), sanitation products, pipes, electric cable, paint, and a long list of other items.

What is not clear is how deep the recovery goes and whether or not it will continue on from revival to the long-sought growth. Speaking for Techint, Argentine Construction Union (UAC) President Roberto Sanmartino is confident it will and that another 100,000 jobs will be created in the very near future.

The UAC includes very large construction companies that grew out of public works contracts which the government, now bled white, can no longer continue to grant. They have thus turned to the housing area for high-income groups which can pay a minimum price of $200,000 a unit.

It is a limited field of activity, as a result of which big companies have concentrated on privatizations and toll concessions.

For privatizations, the holdings to which they belong join together with bank lenders and operators and rule out no prospective sector, from rail transport to oil and including telephones or electric power.

Toll concessions do not offer great opportunities for construction activity, inasmuch as these are routes already in operation and, consequently, involving little maintenance. Once built, the copper huts, machinery, and personnel go idle once again.

This is why they emphasize the need for "accessible credits" that provide solvency for medium- and even low-income groups, the unsatisfied demand from which has a long history. It is estimated that the country needs nearly 3 million housing units, plus another 120,000 a year due to demographic growth alone and the obsolescence of existing housing.

They also hope to capture investors who could put their funds in industry, build a number of apartments, and

rent them to persons needing housing but without the money to buy it. Sanmartino and Monir Madcur, president of the Argentine Construction Board (CAC)—which includes medium-size firms that are also government contractors but on a smaller scale—expressed the key argument to CLARIN: "Bricks are once again good business."

Madcur says that building an average house in May cost between $500 and $600 a square meter, while the sale price was rarely $500. Prices have since doubled, while the construction index has risen less than 5 percent (according to INDEC [National Institute of Statistics and Census]).

The idea is that credit should continue to be distributed downward as economic stability is consolidated, ensuring the solvency of future borrowers. To date, they have only trusted the recovery of credits to the wealthier sectors, less dependent on the vicissitudes of politics.

"The banks have to provide medium-term financial support to the wage-earning population," Madcur says. The National Mortgage Bank, a financial institution specializing in housing loans, intends to become a wholesaler and distribute business to private banks that would deal with users directly. If a new organic charter is approved, it would launch its first operation of this type in April or May.

Both the UAC and CAC imagine that future business will be of this type, with loans for five, 10, or more years in order to sell projects "in the (cement) well," meaning to be built when the money comes. The plan is to postpone delivery 18, 24 or more months in a kind of "preliminary forced savings."

One company has already tried it: loans (in dollars, speaking always in dollars) for 15 years and delivery after 18 months of apartments accessible to the middle class. Many trusted that their income—measured in that strong currency—would not fall and that "demand would exceed expectations."

However, the main activity now is buildings with saunas, pools, tennis courts, and other amenities. Jorge Toselli of Toselli & Fuentes said that between September and October, some 15 projects of this type were started in the capital. The impetus has since died down because landowners "got carried away" and raised prices "between 20 and 25 percent."

Toselli calls it an "artificial increase" and is confident that "in March, it will drop due to the lack of buyers": the old, revived faith in the law of supply and demand.

* Problems of Petrochemical Industry Discussed

92SM0204B Buenos Aires CLARIN in Spanish
29 Dec 91 p 22

[Article by Adriana Lauro: "The Unkept Promise"]

[Text] Until only recently, in an export-oriented economy, petrochemicals loomed as one of the great hopes. Businessmen spoke of investments totaling some $3 billion. None of this has come to pass, however, and the Argentine petrochemical industry's technological lag now puts it out of a large share of the international market. Opening the borders to imports—if we do so—poses a definite danger. The time seems to have come when manufacturers will have to dust off old projects and adapt to new conditions: deregulation, greater flexibility of labor, Mercosur [Souther Cone Common Market], and privatizations.

The economic opening forces businessmen still operating into a *mea culpa*. In a sector such as petrochemicals, which moves over $1.5 billion a year, they admit that disinvestment over the past 15 years is a boomerang they can now duck only by making painful adjustments and reducing profits.

The grandiose future for which the petrochemical industry was planning some four years ago, anticipating investments of over $3 billion, has been reduced to a present made up of reorganizations, new partnerships, the demand that they be able to compete, and small investments requiring forceps!

In the '40's, Argentina inaugurated and led the way in petrochemical production in Latin America, but its subsequent maturation process could not sustain that privileged position and it now finds itself in third place behind Mexico and Brazil.

While the country's national industry was being dismantled and production grew sluggish, the world stood back and watched. Arab countries and Southeast Asia, traditional importers of petrochemical products, built their own plants and in some cases closed the circle of manufacturing integration. As international demand expanded, prices dropped at an equal pace, given the competence of more modern technology.

Producing More Expensive Goods

At home, domestic costs (fuel, electricity, wages, and so on) steadily rose. Fuel, the raw material par excellence, no longer had differential prices (40 percent lower than on the international market) and, around 1986, was on a par with the rest of the world. Today, the result of the equation is that everything is about 30 percent more expensive.

In addition, import tariffs that previously protected domestic activity have gradually been reduced over the past four years and now, as the Cavallo Plan goes into effect, range between 0 and 11 percent (and should be totally eliminated by around 1995).

Those used to exporting some 40 percent of their production will have this year branded in their memories as one of the worst in terms of sales abroad. Volumes were satisfactory, but when it came time to add up profits in foreign exchange, the 20-40 percent drop in international

prices and the increase in domestic costs worked against them. Manufacturers were caught in a bind: It costs them more to produce and they get less for their exports!

"The conditions are more favorable for importing than exporting," admits Manuel Herrera, board member of Argentine Petrochemical Company, Inc., before clarifying: "That is the picture at present, but the trend is generally highly positive. Conditions are already much better than they were six months ago." Gains made include the deregulation order, law on work accidents, tax changes, imminent Customs reorganizations, the Mercosur agreements, and their accompanying Initiative for the Americas.

Dusting Off Projects

However, even though one can already see the first signs of new investments and while old projects are being dusted off, the dollars needed before businessmen can welcome the economic opening with no fears have not yet arrived.

"Industry is now paying the price for not funneling capital into the integration of production. Today, the biggest plants: the Bahia Blanca Petrochemical Pole, PASA [expansion not given], and Mosconi General Petrochemistry, are now old and cannot compete on the international level. Any one Brazilian complex by itself exceeds Argentine production," criticizes one industrial adviser.

The game is nearly at a standstill. Those in the know say that building a major complex today costs some $4 billion, with no investor in sight willing to fork over such a sum. However, even though major investments have been put on the back burner, an injection of state-of-the-art technology could contribute greatly to the indispensable reduction in costs and help win back a position in the world. Businessmen tirelessly repeat that "money is still expensive."

For the time being, dollars invested in the sector have been channeled toward the expansion of complexes and in general, toward relatively unimportant projects costing between $5 million and $10 million. The only company to have broken away from that overall pattern is Petroken (partnership of Ipako and Shell, 51-49 percent), which will start producing polypropylene (material used for automobile bumpers, cloth fibers, packing bags) at a plant which cost nearly $180 million.

Now Mercosur

The imminent effects of the Common Market of Argentina, Brazil, Paraguay, and Uruguay are already causing a number of playing pieces on the petrochemical board to move. They will be vying for a potential market of 200 million customers. At home, mergers, partnerships, and changes in the organization of business are the recurrent topic of any business conversation. For the time being, nearly a dozen economic firms are running some 16 businesses.

The fiercest competitor we shall have to face is Brazil, which sells more cheaply and has production five times greater than our own.

Several Ipako board members, who have already made trips to see how they are doing with their Brazilian colleagues in terms of respecting one another and sharing clients (old and new), are confident that Argentine plants have enough flexibility to react to small orders, thus winning market shares in niches which the neighboring industry cannot fill.

Furthermore, almost smacking their lips over the lack of protection of the Brazilian petrochemical industry, Argentine businessmen hope it will experience the same rationalization and deregulation observed on this side of the border.

"They still enjoy subsidized protection, while we are only now emerging from the process of deregulation and opening. It is not the right time to make comparisons," some businessmen parry.

For Herrera, the key is the change in Argentine macroeconomic structures because on the industrial level, they maintain, our country has superior conditions.

However, even though the national industry comes out ahead in the commercial union proposed by the Mercosur agreements, exporting raw materials with scant added value will continue to be a way to burn up resources in exchange for an ever smaller handful of dollars.

"It is preferable to offer the world lighters or throwaway glasses before we use up our country's capital of well-trained professionals and lose the possibility of growing once and for all," one private consultant emphasizes.

Placing emphasis on exporting finished products is an idea shared by all industrial executives. In order to do so, Herrera says, rebuilding the productive framework is essential, and in this process the small and medium-size companies play a preponderant role. "They are our customers and if they do not recover, there will be no one to get the domestic market going." The surge in sales this year, between 30 and 35 percent, pleases businessmen enormously.

However, while we import plastic umbrellas, toys, telephones, silverware, and all manner of manufactured goods containing materials of petrochemical origin, our small and medium-size businesses are trying to hold on by supplying the domestic market using obsolete machinery and without possibilities of financing.

[Box, p 22]

Government Will No Longer Supply Basics

As anticipated, the privatization policy can also be noted in the petrochemical sector. The two top companies which produce basic products await their new owners.

The plant which the Mosconi General Petrochemical Company (PGM) has in Ensenada (Buenos Aires) is totally government-owned. In contrast, in the case of the Bahia Blanca Petrochemical Company (PBB), located in the place that gives it its name in southern Buenos Aires Province, the government owns 51 percent of the shares, the rest being divided among private owners.

The two plants are the main suppliers of basic products. They cover over half of all national production of this primary link in the industrial chain and handle nearly a fourth of the general demand for petrochemical goods. Their place on the sector's map is far greater than strategic, amounting to almost absolute power.

The PBB project was created around 1977 and began operations in 1981. The main accusation leveled against it is its lack of integration. Customers complain that prices are higher than on the international market, but for the decade that they had been lower, manufacturers said nothing.

Even older is the PGM plant, which began in the 1970's to produce aromatics and olefins. Nearly 65 percent of its production has historically been exported. The company's foreign exchange debt, stemming from delays in startup of the olefin plant, now exceeds $120 million.

* UIA Recommends Action on Trade Imbalance

* Import Restrictions

92SM0191A Buenos Aires CLARIN in Spanish 9 Dec 91 p 17

[Text] Bolivian industrialists have lost patience with the "Bolivian bazaars" where smuggled goods are sold at give-away prices, and imported second-hand goods are sold as new.

Under the rubric that all that glitters is not gold, the UIA [Argentine Industrial Union] has hit upon a means of striking back at this type of cheap import operation, namely: Demand compliance with fair trade norms. If that legislation were enforced to the letter, the buyer would be aware, for example, that the cheaper prices at which some imported goods are being sold are not always accompanied by a warranty.

"The rise in imports as a result of customs tariff reductions is significant, especially with regard to merchandise of unknown brands, and/or of dubious quality, or that is reconditioned, or used, and that competes unfairly with domestic production," the UIA states in a letter that is to be delivered today to Secretary of Industry Juan Schiaretti. The UIA requests that, in keeping with the spirit of the law:

—The consumer be clearly informed of the extent of the warranties being provided; and that,

—If no warranty is being offered, this fact be clearly stated together with the price displayed in the shop window.

In the electrical and electronic appliances sector, the sale of imported used goods disguised as new, at low prices, and bearing no warranty, has crowded out domestic production. Many of these appliances are actually new but with serious manufacturing defects and a short service life.

This wave of imports is bringing in all sorts of things: Used tires with only 2 millimeters of tread, for example, and clothing that is brought in as "used" and sold as "new," are but cases in point. They put domestic production at a disadvantage, and deprive the Treasury of revenue: Payment of taxes in the used-goods business is a joke. Last week, Schiaretti promised to prohibit the import of used clothing. But the necessary decree has not come out of the oven yet.

Citing a raft of complaints on hand, UIA Secretary Manuel Herrera says that IRAM [expansion not given] standards regulating the safety of many household appliances are not being complied with. "Refrigerators and clothes washers are being sold painted and without interlocks. Moreover, the power plug's third prong, that provides a connection to ground to safeguard the user against electrocution, is missing.

Unfair competition is even more unfair in the so-called "Bolivian bazaars." According to Herrera, smuggled goods abound there. There is one on Camino de la Cintura and another one in the area of the Central Market. In many provinces, they are the latest fashion. But the government has not indicated awareness of it. "There is no control of any type, despite the tax evasion."

The UIA has extended its protective umbrella over local production, but unanimous backing by the business community is by no means a certainty. The Chamber of Commerce argues that the consumer knows the risks inherent in buying something for a plugged nickel. Its president, Carlos de la Vega, says: "In imported merchandise, there is a little of everything. The person who buys something at a give-away price cannot believe he or she is buying excellence. The opening of doors has its bad aspects, but others that are very good. It has brought in innovative-technology products that represent progress for the country and raise the consumer's quality of life."

* Investment Credits

92SM0191B Buenos Aires CLARIN in Spanish 13 Dec 91 pp 24-25

[Text] In its year-end report, the UIA [Argentine Industrial Union] stated its support of the Economic Plan, while nevertheless expressing its concern over the drop in exports.

UIA Director Israel Mahler holds an "optimistic" opinion, tempered by moderation, as to the future of Domingo Cavallo's Economic Plan. He agrees that there is a noticeable improvement in consumer demand, but says that its effects on the production upturn are spotty.

He does not deny "concern" over the drop in sectorial exports. "An economy cannot be maintained for long with a negative trade balance," he says. He thinks that the surge of consumer goods imports will level off because "the market will quickly become saturated and because of disenchantment among the buyers."

Mahler invited a group of journalists for the unveiling of his year-end report, during which he expressed skepticism as to the return of Argentine money from abroad. "It is not coming back," he asserted at two distinct points in his presentation. He said that it will take "good administration to keep the capital that is invested in Argentina," and differentiated between an upturn and growth: "There is more demand," he said, "but for the economy to grow, domestic credit must be made available for investment."

Support for the Economic Plan is not at stake, at least for the moment. But Mahler believes that "the very sizable effort" made this year must not be wasted. "In 1992, growth conditions will have to be generated in order that, after selling grandmother's jewels, the state may be able to replace this source of revenue with that obtained through a genuine system of taxation."

Wage pressures exist, but it would be "a serious mistake" to seek real wage increases via pay-scale increases. Clearly, as Mahler pointed out, the unions are being very cautious, and not much trouble is being anticipated from this angle. Asked if he thought it possible to introduce a reduction of wages, as Domingo Cavallo has proposed, he replied: "It is unthinkable."

An Expensive Country

In a country where "everything is expensive, except meat," automobile prices cannot be expected to conform to international price levels. This was the argument he advanced in defense of the automobile industry, "which must be given a framework within which it can evolve."

According to Mahler, "the upsurge is the result of the effective drop in inflation and interest rates. This has produced three responses: An increase in real wages through an increase in working hours in the employed sector, and spending of accumulated savings on consumer items, combined with easy payment terms—although at high interest rates....

"Consumer demand was satisfied in part by imports, but also by domestic production. This was the case with respect to durable consumer goods and automobiles. On top of this upturn in the demand for consumer goods, the demand for primary aluminum also rose (60 percent over March)."

An indication that this rally is not a general one is found in the textile sector: "In this case, it has occurred by sectors, because, among other things, it was the result of countercyclical imports, something that will have to be dealt with through differential tariffs." Producer goods have hardly been affected by the economic upsurge. More meetings among potential buyers are taking place, but little business is being done. "If credit were available to buy machinery, the firms could equip faster." According to Mahler, another positive factor is the doubling of construction permits in the Federal Capital, in that it is "revitalizing the suppliers of materials."

Clearly, the UIA and part of its leadership do not wish to break ties with Minister Cavallo. On Monday, for example, they will accompany him to Brasilia, where they plan to sign an agreement with the CNI [National Confederation of Industries]. The agreement, in which the UIP [Paraguayan Industrial Union], and the Uruguayan Chamber of Industries will participate, will serve as the platform for the official launching of the Mercosur [Common Market of the South] industrial advisory board. Mercosur's mission will consist of hands-on oversight of the harmonizing of macro policies, and correction of inconsistencies, with a view to improving the conditions for mutual trade and trade with third countries.

* Railways To Pay Off Debts With New Bond

92SM0199B Buenos Aires CLARIN in Spanish
18 Dec 91 p 27

[Text] Argentine Railways (FA) will pay off its debts to suppliers by way of a bond. Next week President Menem will sign the decree creating the new bond to pay off FA's current liabilities. Bondholders may use it to buy railway-line leases, real estate, or scrap iron. The bonds may be used for no more than 70 percent of the amount of the purchase or lease and will be face value.

In the days to come the nation's president, Carlos Menem, will sign the decree creating the "railway bond" (BOFE) with which the government will pay off all of the liabilities of Argentine Railways and Femesa [Buenos Aires Metropolitan Railways and Subways], the enterprise that was established in April with the metropolitan passenger lines.

The bonds will cover commercial debts to suppliers and contractors of railway projects, who can use them to acquire FA assets and pay the fees and rental on the rolling stock granted under the railway leases.

The overseer [interventor] of FA, Ignacio Luduena, indicated yesterday that the text of the decree has already been approved by Minister Domingo Cavallo and that only the signature of the nation's president is required to set the payment mechanisms in motion.

Luduena maintained that the $450 million in railway bonds to be issued would be earmarked to pay outstanding commercial debts. The awards in labor suits and contract disputes will be paid with the Liabilities Consolidation Bond that will be used to pay off all government debts.

The suppliers and contractors who receive the bonds may use them to buy scrap iron and real estate and to pay

the fees and rental on the rolling stock under railway leases. In both cases up to 70 percent of the total amount may be paid with the bonds, inasmuch as by law the railway has to collect 30 percent in cash for transfer to the social-security system.

FA's debts will be paid off at the face value of the bonds, that is to say, without any sort of discount; this also goes for the receipt of the bonds to buy real estate and to pay the fees and rental on locomotives and railway cars.

Luduena indicated that the report on passenger transportation, which will identify the profitable and money-losing trains, would be completed in the weeks to come. On the basis of this study the authorities will decide first which long-distance services will be maintained and which will be ended. Second, officials will have to decide who will provide these services, whether they will remain in the sphere of FA or be leased to private operators.

As for the land and real property that FA will be selling in the coming months, Luduena indicated that "there is a team of 15 people who, with World Bank financing, will be working to identify and evaluate the assets that will provide funds for the railway enterprise's till."

The assistant overseer of FA, Agustin Pigliacampo, stated that an agreement has been reached with the preliminary grantee of the Delta-Borges branch line (the Soldati group's Sociedad Comercial del Plata) so that it can continue evicting people from and cleaning up the route. The bidding group has until March to remove people from the land and stations along the branch line. If it does not, the bidding will be annulled. The two main problems that it faces are the razing of a shantytown at San Fernando and the removal of a Prefecture unit at the Delta station.

Regarding the contracts that FA rescinded with all its suppliers, Luduena contended that "the ones that are indispensable to keep the tracks and a minimum fleet of locomotives and passenger cars in shape have been renegotiated."

* Labor Minister Explains New Retirement System

92SM0192A Buenos Aires CLARIN in Spanish
6 Dec 91 pp 18-19

[Text] Labor Minister Rodolfo Diaz announced yesterday the long-awaited reform of the retirement system, and confirmed that workers will have to make their contributions to pension fund management firms, as CLARIN reported earlier.

Speaking at a symposium organized by Seminarium, Diaz criticized the current benefit system and went on to say that the government will implement a number of reforms, creating three subsystems:

- An assistance system, designed to help those who were unable to make the necessary contributions to take advantage of retirement.

A benefit system, based on two pillars: a private capitalization system and an official allocation system.

The retirement insurance system that is in effect today, which would operate as a complement to the government retirement system.

Before making these statements, Diaz provided a lengthy explanation of the problems of the current social security system, which in his opinion "is not in a state of crisis; it is dead." He recalled that at present there are 3.8 million contributors who are supplying the funds to pay 3.3 million beneficiaries.

According to the labor minister, this system "is not a creation of the first Peronist governments," but was implemented "on 30 December 1968 by the Ongania administration." Now, he said, it is time to change it.

The assistance system will be set up "for those who do not have access to the benefit system that is replacing the current system." In other words, it is designed for those who do not make contributions. The minister insisted that it should be established with "contributions based on the solidarity of society at large," and will therefore be financed out of general revenues.

The second system is the one that was reported earlier by CLARIN. All contributions made by wage-earners will go into a personal fund from which they can begin making withdrawals once they reach retirement age. These funds will be deposited in accounts managed by private Pension Fund Management firms (AFP), which the workers will select of their own free will. The firms will receive the funds contributed by the worker while he is employed and will guarantee repayment of that amount plus the return on the various investments made with the money.

On the other hand, a retirement system similar to the current one (involving allotments) will remain. It will not guarantee payment of the variable 82 percent [no garantizara el pago del 82

movil]; rather, the amount paid will depend on what is collected from the Tax on Primary Business Profits (IEPE) that was announced yesterday by Minister Cavallo (see pages 20-21). The more revenues collected, the more funds there will be to distribute among retirees.

The program reported by CLARIN in November did not anticipate the emergence of this tax. At that time, the idea was that the system would be financed by employer contributions. That initiative was changed, however, because it did not provide adequate protection against tax evasion, and the financing of the government portion was uncertain.

Diaz stated that this plan will be complemented by the private retirement insurance system that is currently in effect, and that it complements the official social security system.

Finally, the minister noted that this system "should be operating" by 1 April 1992. Minister Cavallo, also present at the meeting, added that it will take effect along with tax reform, "which is supposed to be dealt with between December and February, according to the agreement."

[Box, p 18]

Features of the New System

- There will be a new retirement system as of 1 April 1992, with mandatory contributions by wage-earners into private pension funds.

Employer contributions for state retirement will be eliminated (16 percent).

The official system will be financed with a new tax, the Tax on Primary Business Profits (IEPE).

There is a proposal to repeal the variable 82 percent as a guaranteed pension, but the opposition is worried.

Each worker's contribution will be 10 percent, as it is today.

The workers may select the pension fund they prefer. The payments they will receive will depend on the performance of the investments made by the private fund management company.

Those who have already made their contributions will receive their retirement benefits from an assistance system financed by general revenues.

Workers younger than 45 years of age will have to pay into the new private system. For those older than that age, the system is optional.

The revenues of the pension funds will be complemented by a government retirement system based on allocations.

The payments of this latter system will depend on revenues collected from the IEPE.

To supplement their retirement income, individuals may choose to take out a private retirement insurance policy.

[Box, p 19]

Unanswered Questions

Minister Diaz stated that none of the laws, procedures, or resolutions necessary to implement the provisional reform plan have been drafted yet, because there are still many points to be clarified.

Among the unresolved issues are: the elimination of the variable 82 percent; the amount each retiree will receive in the allocation system; how many AFP companies there will be; what will happen to those who already contributed to the current system and must still wait several years before retiring; after what age the new system is optional....

In an interview with CLARIN in his office after the announcements were made, the minister explained that the new system has not been fully defined yet, even though officials have been working on it since at least March of this year.

"At this stage in the presentation of the model, I am not going to speak in terms of any quantity or percentage, because a number of different calculations are being made, and no decision has been made yet," he said at one point. When will the package of measures be ready, he was asked. "Soon enough for it to be sent to Congress and debated." A strange way of clearing up uncertainties.

* Inflationary Impact of Invoicing System Viewed

92SM0192C Buenos Aires AMBITO FINANCIERO in Spanish 3 Dec 91 pp 18-19

[Text] Business sources say that the new invoicing system that will become mandatory as of 1 January will have an adverse impact on the price index. According to their calculations, prices will jump by 3 to 5 percent.

Businessmen believe this is the "cost" of getting businesses, particularly small and medium-sized ones, on the right track. Economy says that tax evasion in this sector amounts to about 50 percent, a figure with which the representative organizations disagree, although no one will venture an alternative figure.

But if going through the channels of the General Directorate of Taxation (DGI) will entail an extra cost for "irregular" businesses, which they will undoubtedly pass on in the form of higher prices, the serious danger is "laundering" by more than 2 million participants in the "informal" or "black market" economy, say business sources.

Achilles' Heel

In this case, not only do they owe contributions to the DGI, but they have never dealt with any government department, and therefore do not even have CUIT numbers, the current identification code. This is apparently the Achilles' heel of price stability, given the tidal wave that would be unleashed by the mandatory regularization of accounts.

Some business entities are estimating an inflationary impact of up to 5 percent. At any rate, they recognize that the change is inexorable, given the need for a budget surplus to guarantee the survival of the convertibility plan.

These fears have prompted the DGI to publish a number of clarifications, which in fact amount to the bending of the rigid rules contained in Resolution 3419, the instrument that created the new billing system.

The possibility of delaying the debut of the new invoices is out of the question (the 1 January date for implementing the new currency, with the resultant political

impact, is firm), so it has been decided to expand the pool of taxpaying companies that may print the new forms in house.

Until now, only about 1,000 large companies were authorized to print the forms. Now more than 5,000 medium-sized and large firms that pay taxes to the DGI agencies will be able to print them.

It has also been agreed that for one four-month period, invoices may be produced with pre-printed numbers, until the new printing presses with 12-digit counters are available. This will also be a boon to the printing business, which is operating at full tilt to seize the opportunity.

Requests to be allowed to continue using the small invoices typical of small businesses were rejected out of hand by DGI officials. Only pharmacies were allowed to continue with this method, because this sector is considered to have been "penalized" by the deregulation.

Despite continuing clarifications by officials, the professional associations and businessmen themselves are becoming more and more confused. Among the unresolved issues are billing in foreign currency, the validity of laser printed invoices, what to do with sales slips, and other matters that the "bloodhound" is trying to clear up.

* Senate Continues Debate on YPF Privatization

92SM0199A Buenos Aires CLARIN in Spanish
20 Dec 91 pp 28, 29

[Text] The definitive model for the privatization of YPF [Government Oil Deposits] seems to have stalled in the Senate. Specifically, there is talk that discussion of the bill will be postponed until February. The latest change is the possible sale of 44 percent of the enterprise's shares on the country's stock exchanges. Many of the enterprise's physical assets had previously been sold off.

Up to 44 percent of the shares in YPF may be sold on stock exchanges, according to an amendment that Peronist senators have proposed to the bill that will transform the country's largest enterprise.

This arrangement was not provided for in the first version that Jose Luis Manzano drafted and that the administration endorsed. Now, in contrast, the legislators are saying that "the provinces and the national government may make a public offering of some of the shares that went to them, up to 49 percent on authorized stock or over-the-counter exchanges or through public biddings."

In an initial stage the national government will have 51 percent of the shares, while the provinces (with or without oil) have a 39 percent share reserved for them. The remaining 10 percent will go, pending payment, to the employees who stay on in YPF under a shared ownership arrangement.

If the State and the provinces decide to sell 49 percent of their respective shares, the investors who purchase oil-company stock will control a maximum of 44 percent of it.

The final distribution of the shares will not be decided until after 1992. It depends largely on two factors:

- Whether the provinces agree to buy the 39 percent that is reserved for them.

What percentage will go to the private sector. By law it must not be less than 50 percent of the allotments of the national government and the provinces. Under this article, at least 45 percent of YPF will be privatized.

Point 45 of the first draft makes clear the intention not to allow a business group to monopolize the future YPF. Buyers must not have "a controlling position in the market that may turn out to be harmful to the general economic interest."

Before the redistribution of stock, the sale of the Southern and Northwestern basins must be completed, and all of the assets included in the annex to the bill must be sold off, pooled, closed, or privatized: pipelines, refineries, ships, small vessels, ports, buoys, storage plants, aircraft, technological assets, and marketing services and sectors.

All of these assets must have total or partial new owners before the last day of 1991. The government's idea is that this process will increase the worth of YPF.

Ten percent, "in cash, of the partnership fee received by the central areas of YPF" will be given to the provinces "as their share." But they will receive nothing from the sell-off of other assets.

The YPF workers who "at the time of the transfer are assigned directly to each of the privatized areas" will receive 10 percent of the proceeds from the "transfers, sales, partnerships, and granting of rights" provided for in the annex of the bill.

Although the first section of the bill "declares the public ownership of the hydrocarbons deposits transferred" to the provinces, the preliminary draft retains Article 2, which the provinces have criticized, because it excludes almost all of the areas that are in production and all of the ones that will be offered under the Argentina Plan. As a concession an attachment indicates that the provinces may negotiate "the percentage of royalties" under the provisions of the law with the successful bidders under the Argentina Plan: between 8 and 12 percent of each cubic meter. They will also be involved in the "analysis and assessment of whatever bids are made and in the selection of a successful bidder."

These rights will be in effect only when the new hydrocarbons law "is passed and enacted"; the law is being drafted by a hydrocarbons provincialization commission. Two senators, two deputies, and four members appointed by the Executive Branch will sit on the commission.

The deadline for the passage of the YPF privatization bill that the administration and its representatives in Congress are talking about is the second half of February. With the law in place, YPF will start selling off the assets that will be "subject to privatization." Some lawmakers are suggesting the removal of five ships from the original list and up to a 49 percent partnership in the Rio Gallegos storage plant and in the pipeline system.

YPF Shares

Class A: 51 percent for the national government*
Class B: 39 percent for the provinces with oil*
Class C: 10 percent for personnel
Class D: Whatever shares the national government and the provinces sell to private capital in an amount not less than half of each of their shares.

*They may make a public offering of up to 49 percent of their block of shares.

Bolivia

Paz Calls Ilo Agreement With Peru 'Historic'

PY2301160492 La Paz Television Boliviana Network in Spanish 0200 GMT 23 Jan 92

[Text] Bolivian President Jaime Paz Zamora has said that the agreement with Peru that will allow the establishment of a duty-free zone for Bolivia in the port of Ilo, Peru, has historic importance.

He also invited the citizenry to join the rally that will march to Ilo.

In referring to his trip to Ilo with his retinue on 24 January, Paz Zamora said this event falls within the framework of the national goals set by the Bolivian people, that is, not only to recover what belongs to Bolivia but also to adequately influence the Pacific region.

[Begin Paz recording] The moment we will experience on 24 January at the port of Ilo is something both President Alberto Fujimori and I have worked on personally, I would say, during the several meetings we have held. I would say that the time we met wtih President Fujimori at La Havana farm in Beni, which belongs to a Bolivian, was very important for the conclusion of this project. There was also our meeting in Cartagena. These meetings have allowed us to help each other because Peru is giving us the chance to have easy access to the sea, from the commercial and industrial point of view, and even from the tourist point of view, because we have a beach that may be used by Bolivians, by the noble Bolivians, in the way we may choose to use this beach at our disposal at a port that will have a duty-free zone. This agreement also will benefit Peru because all the movement, the flow of Bolivians, also will bring movement to southern Peru. It will benefit the region because traffic that will come from Argentina, the Pacific, northern Argentina, Paraguay, and Brazil will cross this zone. In other words, for various reasons it is very important to Bolivia, but I also think it is important to Peru and the entire region. It is a sound project that will help us find the solutions our continent needs to enter the 21st century.

This is indeed a historic step we have taken, and all Bolivian people should participate in this historic meeting. We must acknowledge that the Peruvian people are also with us and that President Fujimori is showing that he promotes integration at all levels.

In other words, it is a project of mutual benefit and reveals a new mentality in tackling our problems. [end recording]

Moreover, President Paz Zamora also referred to the participation of the two presidents in this project.

[Begin Paz recording] We two presidents are truly involved personally in this project. For example, last night, after the afternoon meeting I held with the Bolivian commission arranging the ceremony in Ilo, I had a long, friendly chat with President Fujimori during which we not only discussed the important documents we will sign in Ilo but also the details of how and where we are going to have our private meeting, because the two of us must meet somewhere. I suggested we hold our meeting while we stroll along our beach, that we hold our private meeting there. This is how we settled several details of the meeting we will hold, because we are both fully convinced that everything will run smoothly.

Last night we also agreed that we will keep our phones open until 24 January so we may phone each other whenever we choose to do so, whenever we may need to consult with each other, so that everything may develop smoothly on the 24th. In this regard, I wish to invite the Bolivian people, especially those who live in La Paz, Oruro, and Cochabamba, because they are nearest, to join the march to Ilo. I think it is good that we all go there so the people of Ilo themselves may see the interest, not only of the governments, but also of the Bolivian people. I urge everyone who has a vehicle to go as a sign of patriotism or just for the ride. I especially urge the young people to come because, after all, all this is not being done thinking of the past but rather for the benefit of Bolivian youth, for the children; we are thinking of the future. [end recording]

Says 'Will Make Chileans Ponder'

PY2301210792 La Paz Television Boliviana Network in Spanish 1700 GMT 23 Jan 92

[Interview with President Jaime Paz Zamora by unidentified reporter during the "24 Horas" television program—live or recorded]

[Excerpts] [Reporter] Mr. President, I understand that during the past few hours you and President Alberto Fujimori spoke by telephone to arrange the final details of the agreement to be signed in Ilo. Is that true?

[Paz] Right. Last night we had a long and pleasant chat as good friends and as Latin Americans. We discussed the core of the issues to be raised during the meeting in Ilo and also some small details. We discussed things caringly. We agreed to keep our telephones open until Friday, 24 [January], to communicate whatever we deem relevant.

[Reporter] Could we say that relations between our countries are at their best level?

[Paz] Right. Relations between our two countries and between our two presidents are at the best level. [passage omitted]

[Reporter] It seems that because of the offer made by Peru, which Bolivia accepted gladly, Chile is now reviewing its position and is considering the possibility of offering Bolivia a sea coast, a position which has been flatly denied in the past. How do you believe Bolivians see this situation?

[Paz] We certainly welcome this move although this is not made in the same spirit as what is happening in Ilo. But I believe that the agreement between the Peruvian and Bolivian presidents is a warning to Chile, although not an aggressive warning. It is a warning to the Chilean leadership that they must update their position. This conservative position, which can no longer exist in the continent, still prevails in Chile. In other words, Latin Americans must seek solutions to their problems. Latin Americans are seeking solutions, everyone is seeking solutions. I believe that Chile, and this is interesting [words indistinct] because neither Peru nor Bolivia has anything against Chile. We are brothers. But I do believe that this agreement will make Chileans ponder. The Chilean people will ask: Why are we not taking part in this event?

[Reporter] [Question indistinct]

[Paz] Why could this not be done among the three countries? It could have been done.

[Reporter] I hope that this kind of spirit can result from this agreement.

[Paz] I believe it can. This is an historic event. Like all important historic events, it is being done in a humble and simple manner.

Peasant Unions' Call To Block Roads Fails

PY2301170092 La Paz Television Boliviana Network in Spanish 0200 GMT 23 Jan 92

[Excerpt] The call made by the General Trade Union Confederation of Bolivian Peasant Workers [CSUTCB] to block Bolivian roads and highways was fully ignored by the peasants, who spent the day working on their plantations.

Despite the efforts made yesterday and today, the CSUTCB was unable to convince the peasants to block roads in the various Bolivian departments.

The government, as well as the media, documented the failure of the blockade. No peasant left his plantation or daily routine to block the roads. [passage omitted]

Roundup of Economic Reports 1-17 Jan

PY2301220992

[Editorial Report] Following are reports on economic activities in Bolivia monitored by Paraguay Bureau from 1 to 17 January. Source, date, and time are given in parentheses after each item.

Planning and Coordination Minister Samuel Doria Medina has reported that between November 1990 and November 1991, Bolivia received loans worth $224.4 million and spent $177.3 million to service the foreign debt. The Central Bank has reported that the country reduced its foreign debt by $303.3 million. The current total debt totals $3.475 billion, of which 50.6 percent is owed to multilateral organizations, 41.9 percent was contracted through bilateral agreements, and 7.5 percent is owed to private banks, suppliers, and others. (La Paz PRESENCIA in Spanish 1 Jan 92 p 4)

The Bolivian Central Bank has reported that the private sector foreign debt, which is guaranteed by the state, amounts to $55 million. (La Paz PRESENCIA in Spanish 11 Jan 92 p 4)

The Central Bank has reported that Bolivian Government Oil Deposits during the last nine months of 1991 paid a total of $20.6 million to service its long- and medium-term foreign debt which totals $250.6 million. (La Paz PRESENCIA in Spanish 13 Jan 92 p 4)

The Bolivian people are beginning to feel the positive effects of the 4.1 percent economic growth during 1991: The National Telecommunications Enterprise, Entel, announced it will reduce local and rural telephone call charges by between 10 and 25 percent. (La Paz Television Boliviana Network in Spanish 1700 GMT 16 Jan 92)

The Inter-American Development Bank has granted Bolivia a $1.7 million loan to support the government's privatization program. The loan matures over 40 years with a 10 year grace period. (La Paz Television Boliviana Network in Spanish 0200 GMT 17 Jan 92)

Brazil

CIS Offered Preferential Tariff Treatment

PY2401030292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jan 92 International Section p 8

[Text] Washington—Foreign Minister Francisco Rezek, who is participating in an international meeting in

Washington to coordinate assistance to the former Soviet republics, said today that Brazil will give preferential tariff treatment to exports from the new independent states. A note distributed by the minister during the conference states that "a lack of resources" prevents the Brazilian Government from offering credits to the former USSR; however, the note stresses the country's willingness to explore "all possibilities for reinforcing bilateral and multilateral cooperation with the Commonwealth of Independent States (CIS)."

World Bank Official Supports Economic Policy

PY2301161692 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Jan 92

[Text] The World Bank is willing to back the Brazilian economic program. This announcement was made by World Bank Vice President Shahid Hussayn to President Fernando Collor during a meeting that also was attended by Economy Minister Marcilio Marques Moreira.

Hussayn said he was impressed by the Brazilian economic team's determination to rationalize the fiscal adjustment programs, the privatization process, and the opening of the Brazilian economy.

The World Bank vice president predicted that 1992 will bring economic stability to Brazil.

Agreement With Paris Club Expected by March

PY2401125292 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Jan 92

[Text] The government expects to reach an agreement with the Paris Club on the foreign debt by March. The Paris Club represents the creditors to whom Brazil owes approximately $20 billion.

Central Bank President Francisco Gros commented that the contacts he made in Europe were very positive.

On 28 January, Brazilian foreign debt negotiator Pedro Malan will resume meetings with commercial banks. He represents the third of four negotiating fronts the government has with international creditors.

Health Minister Guerra's Resignation Reported

PY2301231792 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 23 Jan 92

[Text] Education Minister Jose Goldemberger has said that Alceni Guerra will leave the Health Ministry.

The first official news of Health Minister Alceni Guerra's resignation was released by Education Minister Jose Goldemberger who met with Alceni Guerra twice during the day. This morning the two ministers talked about the CIAC [Integrated Center for Assistance to Children] and during the afternoon they signed an agreement for the construction of a factory run by the CIAC in Vitoria, Espirito Santo State. After this meeting Goldemberger said that Minister Alceni Guerra told him that he had presented his resignation.

Asked about changes in the ministry's structure and the CIAC project, Goldemberger said that it would be nice if integrated school project were placed under his ministry's jurisdiction because more than half of the school programs directly affect education. Alceni Guerra continued to receive legislators and friends after Goldemberger left. A few minutes ago Minister Guerra left for the Planalto Palace where he is to meet with President Fernando Collor.

Pension Payments Suspension Upheld by Court

PY2301020292 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 22 Jan 92

[Text] The Federal Supreme Court [STF] has ruled that Decree 430, signed by President Fernando Collor, postponing payment of the 147 percent adjustment for pensions in 1993 is constitutional.

STF Acting President Otavio Galotti analyzed the petition of the Workers Party, Brazilian Socialist Party, and Brazilian Lawyers Order [OAB] asking that the decree be ruled unconstitutional. The STF granted the OAB part of what they asked and suspended Article 3 of the decree. The suspended article established that officials could not authorize payments decided through court rulings if the budget did not allocate money for that purpose. Federal Lawyer Artur de Filho Neto said the court decision was a government victory because it maintained that even food allocations can remain unpaid through the precatory provision.

[Begin Neto recording] There will not be any payments, there will not be any payments. [repeats] The government will wait for a definitive ruling to include the payments in the precatory credit system. [end recording]

Neto explained that from that point on, the adjustment will be included in the 1993 budget.

This afternoon Attorney General Aristides Junqueira filed a lawsuit to cancel Article 130 of the Social Security Benefits Law, which says pensioners who have received payments as a consequence of court orders are not required to return the money in the event higher courts later modify the ruling. The attorney general wants to prevent Social Security system losses if the STF decides pensioners do not have the right to the 147 percent increase. The ruling will be handed down when the justices return from recess on 3 February.

Justice Minister Jarbas Passarinho met with President Fernando Collor this afternoon to assess the status of the talks between the government and Congress on the project to increase pension contributions.

Passarinho briefed the president on a meeting in his office to discuss the government's final word on the project increasing pension contributions and the decree

suspending the 147 percent adjustment. The minister did not want to reveal what was decided at the meeting, which lasted over two hours, before talking with the president. Economy Minister Marcilio Marques Moreira, Labor and Social Security Minister Reinhold Stephanes, Social Action Minister Ricardo Fiuza, National Economic Policy Secretary Roberto Macedo, and Marco Maciel and Humberto Souto, government leaders in the Senate and the Chamber of Deputies, respectively, participated in the meeting.

After the STF decision was announced, the group left the Justice Ministry and drove to Planalto Palace to meet with President Collor.

More on Pension Funds

PY2401132092 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 23 Jan 92

[Text] Santa Catarina's Justice Department will try to freeze INSS [National Social Security Institute] funds to force the payment of the 147 percent adjustment to pensioners. The INSS Santa Catarina branch is concerned with the possibility because it understands that the court measure might hurt the state's medical care system.

Santa Catarina's Justice Department is preparing a writ requiring that city and rural bank branches freeze INSS accounts so that the money can be used exclusively for payments to pensioners. Judge Luiz Carlos de Castro of the Second Federal Circuit Court in Florianopolis, will order state INNS Director Raquel Brando da Silva to finish the distribution, through the bank system, of cards to pensioners authorizing them to collect the 147 percent adjustment.

INSS State Attorney Maria Oliva Ramos met with Judge Luiz Carlos de Castro and expressed concern about the possible freeze on INSS state accounts because the measure will preclude payments to hospitals and hurt the population in the area of health assistance.

Communist Party President on Future of Party

PY2201121692 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Jan 92 First Section p 7

["Excerpts" of interview with Federal Deputy Roberto Freire, president of the Brazilian Communist Party, by Luiz Antonio Novaes in Brasilia—date not given]

[Text] [Novaes] What is left of the "Big Party?"

[Freire] Perhaps only the acronym and the name will be changed. The hammer and the sickle symbol will disappear and will not be replaced. The rest will be maintained: the red flag; the term "Big Party", which started out as a pejorative but which later acquired a funny connotation; and the International Socialist anthem. This is a process of continuity and of change. Some communist parties were disbanded while others have been renewed and are treading the path of the so-called Democratic Left. This is why we support the name Democratic Left Party (PED) [Partido da Esquerda Democratica].

[Novaes] How will the Brazilian Communist Party, PCB, or PED come out of the party congress? Will it be more like the PT [Workers Party] or the PSDB [Brazilian Social Democracy Party]?

[Freire] We should be closer to the leftist wing of the PSDB; of the Articulation (a majority in the PT leadership); and of some groups more to the left of the PT which, like us, believe that democracy has a universal value.

[Novaes] What exactly is new within the PCB's "Marxist" doctrine?

[Freire] The new thing is socialism with democracy and freedom. When I refer to Marx, Lenin, and Engels, I am also referring to Trotsky, and to [famous leftist leaders] Bernstein, Kautsky, Rosa Luxemburgo, Gramsci. I am referring to all Marxist thinkers, but more than that, to all socialists be they Marxists or not.

[Novaes] In politics, the new thing is democracy, although it is nothing new really. What about economics?

[Freire] This is one of the more complex problems. In politics self-criticism is vanquished but a possible socialist economy is still in an embryonic stage. We have not carried out any great study on today's world economy. We work with capitalist concepts that Marx witnessed in the beginning of the industrial era or that Lenin experienced in the financial imperialism era. But we are experiencing the third industrial revolution, that of science and technology, which is changing production methods.

[Novaes] You have abandoned the idea of a proletarian dictatorship. Will continue to uphold the concept of the state?

[Freire] The concept of the state is the central issue in Marxism. There is a certain amount of confusion as to the role of the state, both from some liberals who want a minimal state involvement or from the left, which still does not know what it wants. They think of the state in the old concept of intervening in the economy. We have defended the Brazilian state, which was not ours, out of principle. We believed that the entire statism process was part of the socialist transition. Marx referred to the state in the public sense. This is what we should begin to discuss: what is public in the economy, even though it may be in the hands of private groups.

[Novaes] The 10th Party Congress will be held after the disintegration of the USSR. Will this factor tend to weaken any "renewal?"

[Freire] The process of change is not new. The PCB is almost 70 years old. Institutions like ours do not change through a decree or overnight. In 1958, the process of

change was initially launched by the PCB and few communists parties made substantial changes such as the ones we made. Perhaps only the Italian communist party did something similar to us. After Kruschev denounced Stalin's crimes in 1956, the majority of communist parties viewed the superficial issue: the personality cult. We adopted a double standard in which Stalin became everything that was evil while before he represented everything that was good.

[Novaes] But in 70 years of party history, you are now about to hold your 10th congress. Does this mean that there was very little discussion throughout so many years?

[Freire] This is not our fault. We are about to hold our 10th Party Congress but we have only be legally recognized for nine years.

[Novaes] Is it true that the PT has more of a following than the PCB despite having been established only 12 years ago?

[Freire] The PT is the result of the fusion of political factors that would have been impossible outside the Brazilian political situation: the Church, Trotskyists, and workers. This has given it a tremendous ability to criticize the bureaucratic model. But the irony of all this is that the PT also adopted a communist culture, the vision of the single party. We have had no social-democratic trend in Brazil, we still do not have it and we never will. Social Democracy is also undergoing a crisis.

[Novaes] Did the PCB expect to hold its 10th Party Congress without Gorbachev in power?

[Freire] He has been virtually out of power since August. I have been worried because FOLHA always referred to the USSR as the former-USSR. FOLHA really was pre-announcing a death. It was obvious, however, he had no real power when he returned to power. It was a matter of time. The USSR has been disintegrating for quite some time. The implementation of perestroyka was an effort to seek a new path, to restructure the economy and open a new political trend. But there was no time left. I do not know if the CIS [Commonwealth of Independent States] has any future. I do not see Yeltsin as a statesman.

[Novaes] Has the supply of gold from Moscow stopped? How will the "Big Party" survive?

[Freire] There is no more gold. We survive with less resources. Perhaps it is even better this way because we are funded with our own resources. We received resources but I was never told about it. The secretary general was the only one who was informed and who controlled them.

[Novaes] What about the situation in Cuba? Can Fidel Castro become the Latin American Gorbachev?

[Freire] Fidel will have to open the country, both politically and economically speaking. I hope he is able to accomplish the perestroyka that Gorbachev was unable to accomplish.

[Novaes] With so much revision, do you fear the idea of believing in God?

[Freire] No, I do not. There is no reason to fear anything. I do not act out of fear. I would even say that I do things with great courage. I continue to believe the same thing about the materialistic concept and my Marxist view of the world. My wife has always been a practicing Catholic. We have always have a "commitment" at home, and this has helped me become more tolerant.

[Novaes] Did you have a religious wedding ceremony?

[Freire] We had a religious wedding ceremony in Chile. The priest was also an exile and was aware of my position. So much so, that I did not have to take confession or take communion. It was an ecumenical ceremony between a Catholic and an agnostic. This is what my wife wanted and I had no problem in doing it that way.

Article Views Dissent in Communist Party

PY2201014892 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Jan 92 Section 1 p 12

[By Jose Arbex]

[Text] Horacio Macedo, the 66-year-old former dean of Rio de Janeiro Federal University (1985-1989), has said that the "disintegration" of the Brazilian Communist Party (PCB) is unavoidable. The PCB, the oldest Brazilian political party—it was established in 1922, will hold an extraordinary party congress to decide its future in Sao Paulo on 25 and 26 January.

Macedo heads the "orthodox" group, which wants to keep the party name and the PCB program. But Federal Deputy Roberto Freire (PE) [Pernambuco State], the PCB chairman, wants to change the party name and "modernize it."

A new PC [communist party] already was established by the "orthodox" wing during a meeting on 28 December in Rio de Janeiro as a result of a national movement for "the defense of communism." Officially, the Communists registered a private association with legal status named the Communist Party, which is headed by Horacio Macedo.

This group now wonders whether it should await the results of the upcoming PCB extraordinary congress to officially launch the party or whether it should participate in the party congress at all.

Macedo, who has been a Communist for 39 years, wants to boycott the PCB congress, which he described as a farce. According to Macedo, Freire took advantage of the fact that he had a two-thirds majority in the Central

Committee to impose regulations on the election of delegates, and that this does not reflect the true correlation of forces in the PCB. He states that the main "fraud" consists of allowing the participation of non-Communist delegates.

According to Macedo, the new PC is supported by 40 percent of PCB members (who total 12,000, according to the Ninth Party Congress, held in 1991). It has members from the states of Para, Ceara, Pernambuco, Bahia, Brasilia, Rio de Janeiro, Sao Paulo, Parana, Santa Catarina, Rio Grande do Sul, and Minas Gerais. But this force will not participate in the PCB congress because of a "fraud."

As an example, Macedo refers to the convention to elect delegates that was held in Rio de Janeiro, which is an "orthodox" bastion. During this convention, "Freire supporters" defeated "Macedo followers" through the inclusion of non-Communist delegates. Macedo wonders: "What is the purpose of participating in the party congress? It will be a farce."

Macedo believes in the revolutionary renovation of Marxism that now has been liberated from "staunch" Stalinism and some "erroneous" Leninist ideals. He supports a concept of democracy but believes that it will be impossible to achieve it in Brazil without a radical rupture with a model that curtails the freedom of the majority of the people.

Macedo claims to have the support of part of the PCB youth. He avoids making personal attacks against Freire, but he says he "deplores" the agreement through which Freire authorized the Roberto Marinho Foundation to have access to PCB archives. At the time, Freire was criticized by Communists who hurled coins at him with shouts of "traitor" and "cheat." Macedo condemns the violence used but he says he understands why it happened.

Chile

Central Bank Revalues Peso, Reduces Dollar Rate

PY301145092 Santiago Radio Chilena Network in Spanish 1000 GMT 23 Jan 92

[Summary] The Central Bank has revalued the peso to reduce inflation; lower the price of bread, wheat, and flour; and encourage economic growth. The dollar exchange rate fluctuation band increased from 5 to 10 percent. This means that the dollar exchange rate floor dropped to 340 pesos. The official dollar exchange rate was reduced by 5 percent, which means that it dropped from 395 to 375 pesos.

Foxley Seeks To Increase Public Savings

PY2301200192 Santiago Radio Chilena Network in Spanish 1600 GMT 23 Jan 92

[Report by Maria Cristina Prudant]

[Text] Finance Minister Alejandro Foxley has announced that the government wants to increase the public savings target by 50 percent during 1992. Foxley was accompanied by Economy Minister Carlos Ominami who commented on the measures adopted yesterday by the Central Bank. Foxley said the measures merely confirm the market tendency.

When journalists suggested that measures to increase imports seek political advantage for the elections, Foxley said that the Central Bank is autonomous and its decisions have nothing to do with the government. He said:

[Begin recording] I will not comment on whether or not they seek political advantage. It is not our duty to determine the exchange policy, but it is our duty to determine the level of public savings and expenses. Tell me if committing ourselves to increase public savings by 50 percent during an election year is biased. Tell me if the economic team is biased or if it is implementing long-term plans to encourage economic growth through sacrifice. [end recording]

Central Bank President Roberto Zhaler said that the bank did not revalue the peso, it simply allowed the market more freedom to set the dollar rate. He said that yesterday's measures, which sought to increase the dollar rate fluctuation band, to reduce the official dollar rate by 5 percent, and to increase the banking legal reserves for foreign credits, are not considered inflationary. Zhaler acknowledged that better monetary management could further help to curb inflation.

Foxley also said that in order to ensure positive results from yesterday's measures, which seek to encourage growth and stability, the government will maintain a responsible control over the fiscal policy which is considered exemplary by foreign observers.

The ministers said there is confidence in the future, as expressed by a strong increase of job offers despite the seasonal slump. Investments also become more dynamic and authorized foreign investments reached a record level of $3.4 billion during 1991. The ministers agreed that the future of the economy is based on solid foundations established in a coherent development strategy and by a responsible administration of the economic policy. They added that the results of this are evident to all Chileans.

Minister Rojas Denies Arms Deal With Malaysia

PY2401133092 Santiago Radio Cooperativa Network in Spanish 2200 GMT 23 Jan 92

[Excerpts] U.S. Ambassador Curtis Kamman said today that the meeting he held with Defense Minister Patricio Rojas to discuss ways to improve the military relations between his country and ours was very useful. [passage omitted]

Defense Minister Patricio Rojas denied that Chile will sell arms worth $100 million to Malaysia. He said:

[Begin recording] There is no such thing. The Chilean mission to Malaysia only made an exploratory visit to study the possibilities of exporting products made by our military industries, Enaer [National Aeronautical Enterprise], Asmar [Naval Docks and Yards], and Famae [Army Ordnance]. This was coordinated by War Under Secretary Marcos Sanchez. [end recording]

Minister Rojas added that these contacts probably will continue with a visit to Chile by representatives of the Malaysian Defense Ministry. He also did not discard the possibility that the Malaysian delegation will be headed by the defense minister.

Judge Orders Arrest in Croatia Arms Case

PY2301132492 Santiago Radio Cooperativa Network in Spanish 2200 GMT 22 Jan 92

[Text] Sixth Military Court Judge Raul Rosas has ordered the arrest of Army Captain Pedro Araya for his alleged involvement in the illegal shipment of arms to Croatia.

It has been learned that Araya was reportedly among those in the chain of command that ordered Famae [Army Ordnance] Customs Agent Ramon Perez Orellana to place himself at the disposal of (Sergio Poleman), the customs agent for the Main Cargo Company.

In addition, the military court has confirmed Rosas' ruling to release on bail (Poleman) and Main Cargo Company Executive (Antonio Saad). Both were indicted for their alleged involvement in illegal export proceedings.

Moreover, the military court repealed the ruling that also released on bail Air Force Captain Patricio Perez, retired. The court ordered that the Air Force captain should continue to be under arrest.

In addition, the military court has ordered Judge Rosas to restrict his investigation to the crimes encompassed in the gun control law and to submit all material he has on the alleged forgery of documents to Special Judge Hernan Correa de la Cerda, who is conducting a parallel investigation of the case.

Yesterday, after exhaustive questioning of the persons involved in the case under investigation, Judge Hernan Correa de la Cerda decided not to allow Air Force General Vicente Rodriguez, retired; executive (Sergio Poleman); (Antonio Saad); and Captain Pedro Araya to leave the country.

Alleged FPMR Members Charged With Terrorism

PY2301195392 Santiago Radio Chilena Network in Spanish 1600 GMT 23 Jan 92

[Text] Two alleged members of the Manuel Rodriguez Patriotic Front [FPMR] were arrested on 18 January and have been placed at the disposal of the court. Both are charged with illegal possession and transportation of weapons and explosives, and unlawful association for criminal purposes. They have been identified as Ramon Ernesto Sepulveda Alarcon, 33, and Marcos Antonio Castelli Sepulveda, 24, both electricians.

An official Carabineros report states that Ramon Sepulveda was trained in guerrilla warfare in Havana, Cuba, and allegedly joined the FPMR in 1986. He is able to manufacture grenades and to modify M-16s. He is charged with receiving weapons and distributing them among FPMR cells.

The Carabineros report adds that Marcos Castelli knew about the weapons and explosives hidden in the house he shared with Ramon Sepulveda.

Colombia

AD/M-19 Leader Navarro Comments on Peace Talks

PA2301224992 Santo Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 23 Jan 92

[Telephone interview with Antonio Navarro Wolff, leader of the 19 April Movement Democratic Alliance, AD/M-19, by unidentified reporters; place not given—live]

[Text] [Reporter] On 22 January, Emisoras Caracol presented a preliminary report on a meeting between President Cesar Gaviria and 19 April Movement Democratic Alliance [AD/M-19] leader Antonio Navarro regarding a proposal by this political group to find a way to overcome the current deadlock in the peace talks between the government and the Simon Bolivar National Guerrilla Coordinating Board, CNGSB. The talks should resume on 1 February in Caracas. We have Antonio Navarro Wolff on the line. How did President Gaviria react to your alternate peace proposal?

[Navarro] Actually I met on 22 January with Defense Minister Rafael Pardo. I will meet with the president later. We are exploring various factors related to the peace process. On 22 January we had breakfast with Defense Minister Pardo.

[Reporter] With Minister Pardo alone? Was Peace Adviser Horacio Serpa also present?

[Navarro] No, only Minister Pardo, who also received a report from a commission on violence in which AD/M-19 members participated. We are now stating our position on what we believe are new factors involved in getting the peace process going. First, it must be made clear to those participating in the dialogue that political participation and support for the dialogue in Colombia is diminishing, which is worrisome. There are more and more people in civilian society, in the government, and even among the guerrillas who are opposed to the dialogue and are saying that this is not the right time to negotiate.

[Reporter] What do you think is the reason for the rejection and apathy in some groups regarding this topic?

[Navarro] Basically it is because the dialogue has not produced results after more than a year. With great expectations the country has followed the talks in Caracas, which at this point seem to be stagnant. Therefore, we have deemed it necessary to propose measures to broaden participation in the dialogue. We see that the government shares our concern. Minister Serpa's statement confirmed this. Our party, as an organization that has always promoted and will always promote peace, has proposed ideas to broaden political participation in the talks to start producing results. Unless we see results soon, I am afraid that we will reach a situation in which war will continue for a long time in Colombia.

[Reporter] What corrective actions do you recommend to the government and the CNGSB so the talks to be resumed on 1 February can be effective?

[Navarro] We have made proposals, some of which the government likes, and others which it does not like.

[Reporter] Which ones does it like?

[Navarro] We believe that among the proposals the government sees as appropriate are ideas related to broadening the participation of other people in the peace process in the domestic field. Those participating in the Caracas talks are not the only ones responsible for the peace process. Many other Colombians are responsible, including political parties, labor organizations, and many others who feel that peace is necessary in our country.

[Reporter] What is it that the government does not like? The mediation of other groups and forces?

[Navarro] Yes.

[Reporter] What else does it like?

[Navarro] We must try to overcome the deadlock and cover all the topics on the agenda, because until now the cease-fire was discussed before any other subject. We told the government, and we believe that it shares the same opinion, that many other subjects must be discussed simultaneously. The political spectrum must be widened, because a dialogue dealing exclusively with the cease-fire does not permit discussion of political matters, which in the long run are the basis for all agreements.

[Reporter] Did you present an alternative regarding the cease-fire?

[Navarro] We believe that the cease-fire can be discussed in phases. We have concluded that a number of topics are related to unilateral decisions by the parties involved, such as the suspension of some economic sabotage activities, an end to the kidnappings, respect for human rights, and so forth. Those unilateral decisions, particularly those made during the last round of talks, could be put together to draft an initial basic agreement for immediate implementation, which could be directly verified. We also feel that we must seek a mechanism so new guerrilla representatives can participate in the dialogue. We must realize that the Army of National Liberation [ELN] and Revolutionary Armed Forces of Colombia [FARC] regional commanders have great influence in the internal decisions of those organizations. Therefore, they should have more participation in the dialogue as part of the CNGSB.

[Reporter] Dr. Navarro, even though the government says it is impossible, do you believe that it is essential—as several political sectors have suggested—for the military to participate in the round of talks? Do you think this is feasible?

[Navarro] I believe that having established basic agreements, both the state and the guerrillas should fulfill them. Regarding the unilateral declarations that have been made, it will be necessary for the military to become a little more actively involved. I discussed this very point with the defense minister on 22 January, and he has been studying the topic.

I believe that this could be accomplished, not so much in the talks as in the implementation of the first agreements that are reached. I repeat, if we put unilateral declarations together, we may find an initial basic agreement that could be verified in a very decentralized manner with the participation of all the sides. This calls for further exploration, but also important is regionalization—not so much of the negotiations, but of the implementation of the agreements. The new governors elected by popular vote in many departments are enormously interested in public order; that is why [words indistinct] in their departments.

I believe the presidential directive that prohibits national dialogue should be revised to allow these governors to participate and manage some part of the process in their departments. I believe, therefore, that the regionalization issue should be studied within the context of a secondary function of the process, and as an important one at the regional level.

[Reporter] To conclude, Dr. Navarro, regarding the Bogota mayoral candidates, will the AD/M-19 support Carlos Alonso Lucio, who has launched his own candidacy with the support of a faction of the AD/M-19, or will you support the possible candidacy of Augusto Ramirez Ocampo? Who is your political group's current candidate for Bogota's city hall?

[Navarro] The truth is that we are aware that in Bogota, as everywhere, it is necessary to have candidates who can compete. Dr. Jaime Castro's candidacy is very strong; it emerged from consultation within a large and united party. Therefore, we will require a coalition if we are to play a decorous role or even entertain the possibility of winning. I know that the AD/M-19 executive sector is talking with different political sectors to establish a coalition and generate a certain amount of competitiveness in Bogota, [words indistinct]) some votes instead of

having a candidate for whom no one will vote. Therefore, I believe that it will be better for us to form a coalition than to run alone.

Report on Guerrilla Activities 11-19 Jan

PA2301150392

[Editorial Report] Following is a compilation of reports on guerrilla activities in Colombia between 11 and 19 January 1992. Source information is given in parentheses after each item.

Ecopetrol (Colombian Petroleum Enterprise) reports that an ELN (Army of National Liberation) attack on the Cano Limon-Covenas oil pipeline at km 506 in Pailitas, Cesar Department, caused at least 10,000 barrels of oil to spill. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 11 Jan 92 p 1)

Three policemen were killed and three others wounded when ELN forces threw a bomb at three police patrol cars in Barrancabermeja. Meanwhile, authorities have reported that members of the CNGSB (National Guerrilla Coordinating Board) attacked San Antonio del Pescado, killing two policemen. In Chaparral, Tolima, one policeman and one guerrilla were killed during a raid on a police station. The report adds that cattle breeders Alejandro Pincon and Rodolfo Coronel were murdered in Curumani and San Alberto, Cesar Department, respectively. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Jan 92 p 7)

Two policemen were murdered by a group of unidentified individuals in Vijagual, Santander Department. In Pinalito, Meta Department, the Army's Mobile Brigade No. 1 dismantled a guerrilla camp, captured two members of the FARC (Revolutionary Armed Forces of Colombia), and seized materiel. In Los Laureles, also in Meta Department, the Army seized 11 kg of cocaine, 120 bottles of ammonia, 50 bottles of acetone, 10 40-pound cylinders of gas, 18 portable printers, and 18 microwave ovens. In Dabeiba Municipality in Medelllin, a man identified as a subversive was captured and charged with murdering a soldier. (Santa Fe de Bogota EL TIEMPO in Spanish 14 Jan 92 pp 1, 8-A)

The Defense Ministry reports that two ELN rebels were killed during a clash with Army troops in Loma de Zoila, Cesar Department. It has also been reported that one policeman and two guerrillas were killed during a clash in Becerril. Meanwhile, one member of the ELN was killed by the rural authorities in Middle Magdalena, Santander Department. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 15 Jan 92 p 6)

The CNGSB has announced it will maintain the siege on El Carmen de Chucuri in Santader Department "until the Army demilitarizes the area." In Barrancabermeja five policemen and Army troops have been killed and 23 wounded so far this year. Meanwhile, on 15 January, six troops from the Nueva Granada Battalion were injured while deactivating several mines in Barrancabermeja. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Jan 92)

Two ELN rebels were killed on 15 January during a clash with the Reveiz Pizarro battalion in Porondongos, Arauca Department. The Army seized from them two rifles, ammunition clips, hand grenades, camping equipment, and ELN documents. In northeastern Antioquia, four presumed members of the FARC were captured by the Army. (Santa Fe de Bogota EL TIEMPO in Spanish 16 Jan 92 p 8-A)

Conservative Councilman Sigifredo Vargas, 55, is recovering from four gunshot wounds sustained during an attack by gunmen in Medellin. During the same incident, his attackers murdered the farmer with whom he was conversing. Meanwhile, the authorities have announced that liberal Councilman Lacides Casas will be buried on 18 January in Uraba. He was allegedly slain by holdup men in Chigorodo Municipality. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Jan 92)

Alexander Bottia, a television technician, has been released by ELN forces in Santander Department who are still holding cameraman Edgar Osma. Bottia said they were abducted near El Carmen by ELN forces who said they wanted to talk with them. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 18 Jan 92)

Authorities in Miranda Municipality, Popayan, have been asked to investigate the disappearance of 23 people and the deaths of nine. Caracol has been informed that alleged FARC guerrillas have been kidnapping and murdering individuals whom they accuse of being members of the paramilitary group that murdered 20 Indians in Caloto Municipality on 16 January. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Jan 92)

Paraguay

Frutos, UK Official Sign Antidrug Accord

PY2301005692 Asuncion PATRIA in Spanish 22 Jan 92 p 3

[Quotation marks as received]

[Excerpts] Paraguayan Foreign Minister Alexis Frutos Vaesken and British Minister of State for Foreign Affairs Tristan Garel-Jones signed a memorandum of understanding on the antidrug fight yesterday. The British minister left for Uruguay yesterday afternoon after a short visit that yielded highly positive results for Paraguayan and UK bilateral relations.

The memorandum of understanding was signed in the main room of the Foreign Ministry shortly after 0930. [passage omitted]

This is the text of the document signed yesterday at the Foreign Ministry:

"Memorandum of understanding between the Government of the Republic of Paraguay and the UK Government on drug trafficking investigation and repression and the seizure of drugs.

T Government of the Republic of Paraguay and the U.. Government—WISHING to cooperate in the anti-drug fight and, especially, RECOGNIZING the need to prevent people involved in illegal drug trafficking from using the fruits of their criminal actions, and thus eliminate the primary stimulus for drug trafficking—

HAVE REACHED the following agreement: The Government of the Republic of Paraguay and the UK Government will cooperate in reaching, as soon as possible, an agreement on drug trafficking investigation and repression and the seizure of drugs.

To this extent, the Government of the Republic of Paraguay and the UK Government will exchange the necessary information on the issue.

This memorandum of understanding will go into force the day it is signed. It can be anulled through diplomatic channels by either of the two governments by means of a written note to the other government, which will be issued three months before the agreement is to be annulled.

This is the understanding reached between the Government of the Republic of Paraguay and the UK Government on the aforementioned issue. SIGNED in English and Spanish copies in Asuncion, capital of the Republic of Paraguay, on 21 January 1992. Both versions are equally valid."

Roundup of Economic Reports 17 Jan

PY2301214592

[Editorial Report] Following are reports on economic activities in Paraguay. Source, date, and time are given in parentheses after each item.

The Central Bank has reported that the loan portfolio of the commercial banks, excluding the National Development Bank, increased 32.3 percent between December 1990 and December 1991. Central Bank officials explained that the increase is the result of resources obtained from the public. The Central Bank also reported that the use of the rediscount operation provided by the Central Bank dropped by 41.2 percent during the same period. Paraguayan banks cut by 50.4 percent the resources involved in rediscount operations while the banks with foreign capital cut their involvement by 22.7 percent. (Asuncion ULTIMA HORA in Spanish 17 Jan 92 p 16)

The net profits of the commercial banks, excluding the National Development Bank, totaled 23.018 billion guaranies in 1991, 32.7 percent more than in 1990. The Bank of Asuncion recorded the largest net profit, about 3.978 billion guaranies. Of this, foreign banks accounted for 14.318 billion guaranies, some 60.4 percent, while Paraguayan banks accounted for 8.7 billion guaranies. One important aspect which helped to increase profits was the massive entrance of U.S. dollars. During December 1991, the commercial banks received deposits totalling $32 million. Deposits during 1991 increased by a record 55.6 percent between December 1990 and December 1991. (Asuncion ULTIMA HORA in Spanish 17 Jan 92 p 20)

Peru

Shining Path Attacks Ayacucho Prison; 28 Killed

PA2301173592 Madrid EFE in Spanish 1555 GMT 23 Jan 92

[Text] Lima, 23 Jan (EFE)—Lima newspapers today reported that at least 28 persons were killed and five were wounded on 21 January in Peru when about 100 members of the Shining Path attacked a prison in Ayacucho Department and liberated 26 terrorists.

According to the daily EXPRESO, 17 peasants and one policemen were killed when the activists of the Maoist group attacked the prison in Puquio, capital of Lucanas Province, Ayacucho Department in the southern part of the country.

Although the sources were not specific, the peasants were apparently members of the Peasant Self-Defense Groups (civilian militias) who tried to stop the members of the Shining Path. Many such peasants have been provided with weapons by the government.

According to a report by the Ayacucho Military and Political Command, at least 10 members of the Shining Path were killed in the attack, while two soldiers and three policemen were wounded while resisting the attack for three hours until reinforcements arrived.

The sources reported that the attackers destroyed the buildings housing the National Police, the city mayor's office, and the post office, as well as other public and private buildings.

The besieged policemen asked for help, which was sent by helicopter. It was then that the terrorists were forced out.

Economy Minister Bolona Interviewed

PY2301172592 Lima EXPRESO in Spanish Sunday Supplement 12 Jan 92 pp 6-7

[Interview with Carlos Bolona Behr, finance and economy minister, by Virginia Rey-Sanchez at the Economy Ministry in Lima; date not given]

[Excerpt] [Rey-Sanchez] Does the cabinet have an alternative economic program?

[Bolona] I am not aware of one. I have not seen one. Comments are sometimes made in this regard....

[Rey-Sanchez] Like those made recently by the foreign minister?

[Bolona] When economic variables are developing correctly, inflation is falling, prices are being restructured....

[Rey-Sanchez] But the exchange-rate gap has deteriorated....

[Bolona] It is true that it was not good in December, but it is heading in the right direction in January.

[Rey-Sanchez] Interest rates continue to be high.

[Bolona] It should drop during January. We must readjust certain things, but this will not affect the economic program.

[Rey-Sanchez] Then you agreed with the foreign minister when he said that some adjustments must be made to the economic program?

[Bolona] We must modify and adjust on a daily basis; for example, eliminating the tax on debts and improving the income tax collection system.

[Rey-Sanchez] Are you satisfied with what has been achieved? Can you make an assessment of your administration?

[Bolona] I would have liked to have curbed inflation more rapidly. I also regret the delay in approving new taxes. Had the tax reform law been approved in November 1990, we would now be collecting an additional $10 or $15 million per month. We lost all this because we were arguing with an economic committee that did not allow us to work.

[Rey-Sanchez] I asked you to assess your administration, and you blame Congress....

[Bolona] My assessment is that I would have liked to implement the tax reform law more expeditiously.

[Rey-Sanchez] And in other areas?

[Bolona] I also would have liked to have been more expeditious in reforming the financial sector. I want to expedite this now and to reform the public sector. I believe we have taken too long to realize that everything can be privatized. Privatization is crucial.

[Rey-Sanchez] Did you overlook social programs?

[Bolona] We will now have more funds available; the IDB [Inter-American Development Bank] will grant about $200 million more. These funds will be allotted to nutrition, health, education, basic infrastructure, and water and sewage systems.

[Rey-Sanchez] Are you worried about the continuing recession?

[Bolona] To believe we could have overcome the recession in 1991 is unrealistic.

[Rey-Sanchez] Can we overcome it in 1992?

[Bolona] It will be overcome gradually; that is, we will not be achieving this by January 1992. It will be a slow process; we will have a difficult year.

[Rey-Sanchez] Will it be similar to 1991?

[Bolona] If foreign capital and resources continue to be available as a result of the reinsertion program, everything will be more bearable. We will witness the economic reactivation of some areas during the second half of 1992.

[Rey-Sanchez] Will the purchasing power of salaries improve?

[Bolona] We will not implement the reactivation pattern of "increasing salaries for no reason," or "let us spend money on building." There will be greater investment in the public sector because of the reinsertion program, more foreign investments, more privatizations, and an increase in the number of exports.

[Rey-Sanchez] How will exports increase with a low dollar rate?

[Bolona] Gradually the dollar rate will be par with the inflation rate.

[Rey-Sanchez] It is rumored that President Fujimori is unhappy with BCR [Central Reserve Bank] Chairman Jorge Chavez over interest rates. There are rumors that Chavez will resign.

[Bolona] I think that by handling the bank liquidity ratio, by monetization, and by lowering the tax on debts, interest rates will drop. Moreover, I have not heard any reasons why he should resign.

[Rey-Sanchez] How much longer do you need to stay in this post to be satisfied with your achievements?

[Bolona] I do not believe that this has anything to do with how long a person should remain in a post. The important point is to continue to implement the economic program irrespective of who is holding the post. If there is a clear policy and a competent team, then individualism is unimportant because people are dispensable.

[Rey-Sanchez] How do you want people to remember your administration?

[Bolona] We have achieved important progress regarding economic stabilization and structural reform. The reinsertion program is also quite important.

[Rey-Sanchez] Would you be annoyed if you leave your post before reactivating the economy?

[Bolona] You leave when it is time to do so. No one can cling to a post and leave under pleasant or positive situations. We will eventually reactivate the economy. The agreements with Oxy [Occidental Petroleum], Southern [Copper Peru Southern Corporation] and the AIG [American Insurance Group] will help achieve this goal.

[Rey-Sanchez] Senator Abel Salinas and Deputy Javier Diez Canseco disagree with the way the negotiations with these multinational companies were handled. Are these agreements any good?

[Bolona] We will receive $400 million from Occidental Petroleum and Southern Peru Copper Corporation. The agreement with AIG is a positive sign for eventual investors.

[Rey-Sanchez] Will there be a hike in gasoline prices like last year?

[Bolona] As tax collection improves, we will resort less to increasing gasoline prices. That is why we will benefit from improving our income and property tax collection systems.

[Rey-Sanchez] There are rumors that you are no longer President Fujimori's favorite minister. How is your current relationship with the president.

[Bolona] I would say that we have good ties, similar to those that the president has with the other cabinet members. Our ties are transparent and cordial. This does not mean that we do not sometimes disagree.

[Rey-Sanchez] High-ranking Economy Ministry officials resigned this week. Is this rehearsal for your upcoming resignation?

[Bolona] There is no connection between rumors of my resignation and the resignation of some Economy Ministry officials. I have wanted to reorganize the Economy Ministry ever since I assumed my duties there, but I had to choose between restructuring the ministry or implementing the economic policy. Since no one knows how long one will remain in a government post, I decided to implement the economic policy first. The first official that I changed was the vice minister, last October.

[Rey-Sanchez] Did you dislike working with former Vice Minister Gustavo Gonzalez Prieto?

[Bolona] A change has been sought for quite some time, not because we did not get along well, but because of differences in our working methods. [passage omitted]

Venezuela

Increased Border Areas Security Ordered

PA2401160192 Caracas Venezolana de Television Network in Spanish 1550 GMT 23 Jan 92

[Text] President Carlos Andres Perez has instructed the Unified Police Command to coordinate measures to control kidnappings and other crimes on the country's border areas. The topic was discussed at a meeting held at Miraflores Palace and attended by the interior affairs and defense ministers, the governor of Caracas, the Judicial Technical Police and Directorate of Intelligence and Prevention Services directors, and the National Guard commander. They determined it is necessary to improve communication channels and exchange of police information at the border areas to control crime in the region.

[Begin recording, Interior Affairs Minister Virgilio Avila Vivas] Investigations have shown that the criminals are usually Venezuelans or Colombians who have lived in the country many years. These people are more prone to common crime than to other types of criminal activity. We already have a program and it is being implemented. I hope it will achieve satisfactory results. I am sure the people who live in the region and the National Government also want it to be successful. [end recording]

The National Guard's Operation Orinoco 91-92 is being implemented and is proving effective. The operation is an ecology control program consisting of operations against illegal mining activities.

[Begin unidentified person recording] We have detected and totally destroyed 58 camps of illegal miners [garimpeiros] during this operation. We have also seized 36 high-powered automatic pumps. As you know, an illegal minority in Venezuela is contaminating our environment. This criminal act is occurring at the source and tributaries of the Orinoco River. The source of this river is in Venezuela. We really have to become aware of what is happening. The source of the Orinoco River starts here and gives [word indistinct] to our country. Its tributaries are being destroyed by those who practice illegal mining. [end recording]

Students, Police Clash in Guarenas; Two Injured

PA2201182992 Mexico City NOTIMEX in Spanish 1711 GMT 22 Jan 92

[Text] Caracas, 22 Jan (NOTIMEX)—It was reported on 22 January that at least two persons were injured during a demonstration in Guarenas, 35 km west of Caracas, during clashes between students and policemen.

The incidents occurred on 21 January when students of two schools staged a march supporting educators, who are demanding that the government increase their wages.

According to press reports, a woman and a minor traveling in a bus were injured when demonstrators threw stones.

The protest resulted in shattered windows in a dozen commercial establishments and the police arrested 12 alleged agitators known as the "hooded ones."

An undetermined number of primary school students were affected by fumes from a tear gas bomb, which fell accidentally in a school playground. The police fired tear gas to disperse the demonstrators heading toward the local mayor's office.

Student groups and labor unions announced a rally this morning in front of the Congress to protest the government's policy and "to request the resignation" of Social Democratic President Carlos Andres Perez.

The protest could result in an indefinite teachers' strike if the government and teacher unions do not reach a wage agreement. According to school sources, a strike lasting one week would result in the lose of the school year.

The government suspended classes from late November until early January in an attempt to curb an increasing wave of student demonstrations that caused the death of three youths on one occasion.

After classes were suspended, the school calendar was extended until late July to make up for the time lost.

Teachers Association Rejects Government Proposal

PA2301004792 Caracas Venezolana de Television Network in Spanish 1550 GMT 22 Jan 92

[Text] Representatives of the Venezuelan Teachers Federation and the Education Ministry will meet again on 22 January at 1500. A final agreement to end the threat of a strike was not reached at a meeting held 21 January at the ministry with CTV [Confederation of Venezuelan Workers] mediation.

Deputy Education Minister Francisco Castillo presented the executive branch's proposal to the teachers.

[Begin Castillo recording] We have proposed reaching a 20-percent increase in salaries in 1992. We also proposed making it retroactive to 1991, through a bonus or a seven percent [as heard]. Additionally, we are offering a 20 percent increase in salary rates as of 1 January 1992. We are prepared to resolve the 1991 night bonus issue and existing debt from the vacation bonus, granted in an agreement signed during previous administrations for a 10-day vacation bonus. We can also offer that. [end recording]

The teachers did not accept this proposal because they consider it disrespectful. The teachers said if the decree was approved by the president of the Republic in May 1991 with a 20 percent increase, they do not understand why the government wants to pay it gradually over a year. The teachers rejected the proposal.

CTV Representative Cesar Gil, from the contracting and conflicts department, is in charge of mediating this situation. Gil does not agree with accepting the Education Ministry proposal.

[Begin Gil recording] I believe we are already on the path to solve the problem, which is the important thing. It is important to note, this far into the school year, that there has not been the need to for a strike over a few more bolivars. We clearly stated the government must grant the teachers the 20 percent salary increase in accordance with the collective contract and Article 6, which established the salary scale set by the decree. We also stated we will negotiate the debt acquired by the government between May 1991 and December 1991 without any problem, but as of 1992, teachers salaries must be increased by 20 percent. [end recording]

Proposal Accepted

PA2301150992 Caracas Venezolana de Television Network in Spanish 0000 GMT 23 Jan 92

[Text] Representatives of the Venezuelan Teachers Association and the Education Ministry have agreed that there will be no teachers strike. The agreement was reached after a meeting held at 1500 on 22 January at the Labor Ministry.

According to the reports we have received, the teachers accepted a 20 percent increase in their salaries offered by the executive branch. The increase will go into effect as of 1 January, that is to say, it will be retroactive.

Strikes Continue

PA2301230992 Caracas Venezolana de Television Network in Spanish 1550 GMT 23 Jan 92

[Text] Finally, after heated discussions, the teachers' unions have reached an agreement with the Education and Labor Ministries guaranteeing a 20 percent basic pay hike for teachers. Teachers will not decide until 27 January if they approve or reject the proposals made by the Education Ministry.

[Begin recording] [Cesar Gil, secretary general of the Confederation of Venezuelan Workers] The government has made an important offer and this should bring tranquillity to the teaching sector. There is a full guarantee that teachers' salaries will be increased by 20 percent, effective 1 January 1992. What remains to be discussed is the payment retroactive to 1991. Consequently, I feel that union activists, as well as grade and high school teachers should praise their labor organizations because they were able to suspend the discussion of Clause 6 of their contract and make the government apply last year's decree on wage increases to them.

[Labor Minister Rafael Rodriguez] The Education Ministry has made an offer to the unions. It offered to accept a 20 percent salary increase effective 1 January 1992. It also offered to pay 10 days of salary as retroactive pay. The unions have changed their position. They reduced their original demand and went from 48 to 36 days.

[Deputy Education Minister Francisco Castillo] We have agreed to continue our talks and meet on 27 January. The important thing about this meeting is that we are reaching agreements that make the possibility of a teachers' strike remote. [end recording]

Despite orders from the Teachers' Union Command, representing the teachers in the conflict with the Education Ministry, and in an action that seems foreign to the negotiations, teachers from four states agreed to begin a strike. This is why some schools in Caracas, Lara, Anzoategui, and Portuguesa will not have classes on 23 January.

Student Disturbances Follow Demonstration

PA2301201392 Paris AFP in Spanish 1950 GMT 23 Jan 92

[Text] Caracas, 23 Jan (AFP)—Students who retreated to the Central University, 3 km from downtown Caracas, caused disturbances near the campus and clashed with antiriot police after participating in a small and peaceful demonstration near the capitol on 23 January.

University sources said the rebellious youths torched at least one vehicle to block the police who cordoned off the main roads leading to the university at 1530 (1930 GMT).

Guyana

Government Recognizes Sovereignty of CIS Members

FL0801225792 Bridgetown CANA in English 2204 GMT 8 Jan 92

[Text] Georgetown, Guyana, Jan 8, CANA—Guyana has formally recognised the sovereignty of the 11 countries which last month founded the Commonwealth of Independent States [CIS] as successor of the Soviet Union, the Foreign Ministry announced on Wednesday.

"The Government of Guyana has formally recognised as sovereign, independent states which together with the Republic of Georgia, had collectively constituted the former Union of Soviet Socialist Republics," the Foreign Ministry said.

According recognition to the republics as sovereign independent states was the "logical course of action to take," the Foreign Ministry said, citing what it termed "compelling factors" indicating that each individual member had acquired a legal personality of a state.

"Besides receiving the concurrence of the populace on the desirability of declaring their independence, each republic had a defined territory, a population, a government independent of each other which was exercising effective control of its respective territorial space, and the administrative capacity to enter into legal and diplomatic relations with other states.

"Under these circumstances, it is likely that each of these republics would take its place on the international stage within the community of nations," the Foreign Ministry said.

The 11 states recognised are the Azerbaijan Republic, the Republic of Armenia, the Republic of Belorus (formerly Byelorussia), the Republic of Kazakhstan, the Republic of Kirghizstan, the Republic of Moldova, the Russian Federation (Russia), the Republic of Tadzhikistan, Turkmenistan, the Republic of Uzbekistan, and Ukraine.

The republics had signed the Alma-Ata Declaration on December 21 last year formally creating the Commonwealth of Independent States to formalise the break-up of the Soviet Union amidst painful economic and other adjustments associated with President Mikhail Gorbachev's reform programmes. Gorbachev resigned days later, and effectively handed over any remaining central responsibility to Russian Federation President Boris Yeltsin.

In the wake of the developments, diplomats at the former Soviet missions in Caribbean Community (Caricom) member states Guyana and Jamaica signalled a change-over to Russian Federation authority. The mission in Guyana, occupying a sprawling new complex completed and occupied last year, has announced a press conference for next Monday to explain the situation in the former Soviet Union.

Hoyte Praises Army as 'Second to None'

FL1001145092 Bridgetown CANA in English 1214 GMT 10 Jan 92

[Text] Georgetown, Guyana, Dec 10, CANA—The Guyana Defence Force (GDF) is "second to none" in the world, President Desmond Hoyte has said. Guyanese should be justifiably proud of its professionalism, efficiency, and reliability, the official state Guyana Public Communications Agency (GPCA) reported Hoyte, also commander-in-chief of the Armed Forces, as saying.

He was addressing the opening session of the annual officers conference of the Army at its Camp Ayanganna headquarters in the capital, Georgetown. President Hoyte, the agency said, told the officers that other armies may have greater firepower, technology, and more men; his assessment was based on the GDF's leadership qualities, patriotism, and professionalism.

"When I use those criteria, I maintain that you are second to none," he said. "It (the GDF) is and has always been a stable hand in our society. When other agencies have become infected and shaky, the Army has remained solid, stable, and reliable, and that is as it should be." The Army has established itself as a major national institution and an essential pillar of Guyana's democratic system over the years, he remarked.

"Despite efforts to upset your equilibrium, despite the abuse to which you have been subjected by some, despite the maligning of the Army, and in spite of difficult circumstances," Hoyte said, the Army has remained "stable."

Opposition parties here have often accused the GDF of helping to rig elections here while transporting ballot boxes from polling stations scattered across the country. The Army has repeatedly denied these charges. It announced that it will remain confined to barracks on polling day unless called out because of a crisis.